

PROFESSIONAL MARKET STUDY
FOR THE VILLAGES at PARK VIEW
APPLICATION # - 2008-040
A PROPOSED LIHTC FAMILY DEVELOPMENT

LOCATED IN:
LITHONIA, DeKALB COUNTY, GA

PREPARED FOR:
GEORGIA DEPARTMENT of COMMUNITY AFFAIRS
OFFICE of AFFORDABLE HOUSING
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MAY 2008

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INTRODUCTION

The proposed multi-family development will target LIHTC/Market Rate eligible households in the southern portion of DeKalb County, between I-285 and Lithonia, Georgia.

The market study assignment was to ascertain market demand for a proposed new construction multi-family LIHTC/Market Rate development to be known as the **Villages at Park View**, for the Georgia Department of Community Affairs, Office of Affordable Housing, under the following scenario:

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
2BR/1b	40	Na	850
3BR/2b	10	Na	1,100
Total	50		

Project Rents:

The proposed development will target approximately 30% of the units at 50% or below of area median income (AMI); 60% of the units at 60% AMI and 10% at Market. Rent includes water, sewer and trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	12	\$690	\$102	\$792
3BR/2b	3	\$801	\$118	\$919

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	25	\$690	\$102	\$792
3BR/2b	5	\$801	\$118	\$919

*Provided by applicant.

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	3	\$769	\$102	\$871
3BR/2b	2	\$894	\$118	\$1012

*Provided by applicant.

In addition, there are several terms that will be used throughout the study, which have very specific meanings within the program assisted framework, but which may have other meanings in other contexts. Two sets of terms in particular are identified here to avoid confusion in the study.

Type of Project Rent Structure:

- Conventional - also referred to as "market rate", reflects projects which are developed without any program funding from public or private sources, using equity and conventional finance. Rents are established by the owner, typically without regulatory constraints.
- Assisted - projects that use some form of program financing designed to make rents more affordable. The financing may include federal and state grant, loan or loan guarantee programs; the Low Income Housing Tax Credit program, direct rental assistance and in some cases private grants or preferential loans.
- Subsidized - projects that have direct rental assistance, which allows tenants to pay only an affordable proportion of their income for rent, with the balance paid by another agency (usually governmental). These subsidies are project-based; that is, the subsidies are attached to the units. Tenant-based subsidies are carried by the tenants, who may use them in assisted or conventional projects. Note: all subsidized projects are also assisted projects, but not all assisted projects are subsidized.

Rent Inclusions:

- Gross Rent - refers to the total rent payment, including utilities. (Cable and telephone utilities are excluded from this definition.) Gross rents are usually identified as a monthly rent. Gross rents are used in the study for program usage such as LIHTC maximum rents or HUD Fair Market Rents.
- Net Rent - sometimes known as "street rent", involves the rent paid to the landlord, and usually excludes some or all utilities. Net rents are used in comparisons with

conventional projects, and are also usually identified as a monthly rent.

- Utility Allowance - is the amount of the Gross Rent not included in the Net Rent, and reflects the estimated amount a tenant will have to pay out-of-pocket for utilities.

As a final terminology note, capture rate and penetration rate are used interchangeably in this study. They refer to the proportion of a defined total pool of tenants that a specific project must capture (or the degree to which the project must penetrate the total pool) in order to be fully occupied. Different capture rates will be calculated for different market pools - for example, the capture rate applied to the total income-qualified renter base will be different from the capture rate applied to a annual target demand pool. Both are used in this study.

The analyst performed an in-depth, on-site analysis in the market area, surrounding neighborhoods, and the site. Personal interviews were conducted with local area real estate professionals and other persons knowledgeable in the local area housing market.

Among sources utilized and cited throughout the study are the U.S. Census of Population and Housing, the Georgia Department of Labor, the Metro Atlanta Chamber of Commerce, the DeKalb Chamber of Commerce, the DeKalb County Office of Economic Development, the US Department of Housing and Urban Development and pertinent information and materials collected from local professional real estate sources and subject related service providers.

Other, specific elements of the methodology are discussed in the text of the study.

STATEMENT OF CONTINGENT AND LIMITING CONDITIONS

1. The consultant declares that he does not have, and will not have the future, any material interest in the proposed project, and that there is no identity between him and the client of the study. Further, the consultant declares that the payment of the study fee is in no way contingent upon a favorable study conclusion, nor upon approval of the project by any agency before or after the fact. The analyst certifies that no attempt was made to contact the applicant directly for any information in the market study.
2. The information on which this analysis of conditions in Lithonia and DeKalb County has been obtained from the most pertinent and current available sources, and every reasonable effort has been made to insure its accuracy and reliability. However, the consultant assumes no responsibility for inaccuracies in reporting by any of the Federal, State, or Municipal agencies cited, nor for any data withheld or erroneously reported by private sources cited during the normal course of a thorough investigation. The consultant reserves the right to alter conclusions on the basis of any discovered inaccuracies.
3. No opinion of a legal or engineering nature is intentionally expressed or implied.
4. The fee charged for this study does not include payment for testimony nor further consultation.
5. This analysis assumes a free and fair real estate market place, with no constraints imposed by any market element based on race, age or gender, except for age / handicapped eligibility established by law for units designated by elderly households and the handicapped.
6. The consultant affirms that a member of the firm made a physical inspection of the site and market area, and that information has been used in the full assessment of the need and demand for new rental units.

**Jerry M. Koontz, Principal
Koontz and Salinger**

SECTION A

EXECUTIVE SUMMARY

1. Market Area and Site Description:

- The Primary Market Area (PMA) for the proposed multi-family development consists of the following Census Tracts in Lithonia and DeKalb County:

232.03, 233.02, 233.03, 233.06, 233.07, 233.09, 233.10, 234.12, 234.13, 234.14, 234.15, 234.16, 234.17, 234.18, and 235.07.
- The overall character of the neighborhood within the immediate vicinity of the site can be defined as a mixture of land use including: single-family and multi-family residential, nearby institutional use, and vacant land use. The site is centrally located in Lithonia, within the city limits.
- The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. All major facilities in the PMA can be accessed within a 10 to 15-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site/subject.

2. Appropriateness of Project Parameters

- Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.
- In the area of unit size, by bedroom type, the subject will offer a competitive unit size, based on the most currently available set of floor plans.
- The subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding proposed net rents by bedroom type.
- The proposed subject 2BR/1b net rent at 50% and 60% AMI is approximately 14% less than the comparable/competitive

2BR/1b net rents at Market. The proposed subject 3BR/2b net rent at 50% and 60% AMI is approximately 15% less than the comparable/competitive 3BR/2b net rents at Market.

- The proposed subject 2BR/1b net rent at Market is approximately 4% less than the comparable/competitive 2BR/1b net rents at Market. The proposed subject 3BR/2b net rent at Market is approximately 5% less than the comparable/competitive 3BR/2b net rents at Market.
- The subject bedroom mix is considered to be appropriate. At present, the market is in need of larger bedroom sizes, as stated by most of the interviewed existing LIHTC apartment managers located within and adjacent to the PMA.

3. Market Demand:

- The capture rates by income segment and bedroom mix are considered to be positive indicators of demand support for the proposed 50-unit subject family development, given the GA-DCA capture rate threshold parameters. The overall project capture rate is 2.6% for the LIHTC component of the proposed development. The overall project capture rate is 0.9% for the Market Rate component of the proposed subject development. The overall project capture rate is 2.1%.

Capture Rates by Bedroom Type & Income Targeting							
Unit Size	Income Limits	Units Proposed	Net Demand	Capture Rate	Absorption	Avg Mkt Net Rent	Proposed Net Rent
2BR/1b	50% AMI	12	593	2.0%	2 mos.	\$800	\$690
	60% AMI	25	501	5.0%	6 mos.	\$800	\$690
	Market	3	178	1.7%	1 mo.	\$800	\$769
2BR/1b	Total	40	1,272	3.1%	6 mos.		
3BR/2b	50% AMI	3	320	0.9%	1 mo.	\$940	\$801
	60% AMI	5	284	1.8%	2 mos.	\$940	\$801
	Market	2	104	1.9%	1 mo.	\$940	\$894
3BR/2b	Total	10	708	1.4%	2 mos.		

- Nine LIHTC family properties, representing 1,498-units, were surveyed within the PMA. At the time of the survey, one of the LIHTC family properties was in the process of rehab and another was in the process of new construction development. At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted LIHTC family properties was approximately 3%.
- Twenty market rate properties, representing 5,341 units, were surveyed within or adjacent to the PMA. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties was approximately 4.5%.
- Present indicators point to the fact that the introduction of the proposed 50-unit development will have little to no long term negative impact on the like-kind program assisted LIHTC family apartment market within the PMA.
- The most likely/best case scenario for 93% to 100% rent-up is estimated to be 6 months (at 8-units per month on average) or less.
- It is forecasted that a stabilized occupancy level of 93%+ can be achieved within a 6 month (or less) period for the proposed subject property.

4. Recommendation & Conclusion:

- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings, as presently configured.**

MARKET STUDY FOLLOWS

SECTION B

**PROPOSED PROJECT
DESCRIPTION**

The proposed Low Income Housing Tax Credit (LIHTC) / Market Rate multi-family development will target the general population in the southern portion of DeKalb County between I-285 and Lithonia, Georgia. The subject property is located at 2582 and 7063 Kelly Street, within the Lithonia city limits.

The market study assignment was to ascertain market demand for a proposed new construction multi-family development to be known as the **Villages at Park View**, for the Georgia Department of Community Affairs, Office of Affordable Housing, under the following scenario:

Project Description

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
2BR/1b	40	Na	850
3BR/2b	10	Na	1,100
Total	50		

The proposed new construction development project design comprises 3 two-story and three-story residential buildings. The development design provides for 75-parking spaces. Note: At present, the site comprises a 24-unit apartment property owned by the Housing Authority of Lithonia. The applicant plans to demolish this property and replace it with the Villages at Park View.

The proposed *Occupancy Type* is for the **General Population** and is not age restricted.

Project Rents:

The proposed development will target approximately 30% of the units at 50% or below of area median income (AMI); 60% of the units at 60% AMI and 10% at Market Rate. Rent includes: water, sewer and trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	12	\$690	\$102	\$725
3BR/2b	3	\$801	\$118	\$919

*Provided by applicant.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	25	\$690	\$102	\$792
3BR/2b	5	\$801	\$118	\$919

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/1b	3	\$769	\$102	\$871
3BR/2b	2	\$894	\$118	\$1012

*Provided by applicant.

Amenity Package

The proposed development will include the following amenity package:

Unit Amenities

- range
- disposal
- central air
- smoke alarms
- carpet
- microwave
- refrigerator
- dish washer
- cable ready
- washer/dryer hook-ups
- window coverings

Development Amenities

- laundry facility
- community room

The estimated projected first full year that the **Villages at Park View** will be placed in service is 2010.

SECTION C

**SITE & NEIGHBORHOOD
EVALUATION**

The site of the proposed LIHTC/Market Rate new construction apartment development is located at 2852 and 7063 Kelly Street, approximately ½ mile north of the downtown area of Lithonia and 1.5 miles north of I-20. Specifically, the site is

located in Census Tract 233.03, Census Block Group 4, Census Block 4028, and Zip Code 30058. See Site Map, page 9.

Note: The site is not located within a Qualified Census Tract (QCT).

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers and area churches. All major facilities in the PMA can be accessed within a 10 to 15-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.

Site Characteristics

The site comprises two distinct tracts comprising .4 acres. The two tracts are separated by a small vacant lot in an overall residential setting. At present, the smaller of the two tracts is occupied by an 8-plex apartment building and the larger of the two tracts is occupied by two, 8-plex apartment buildings. All three buildings are owned and managed by the Housing Authority of Lithonia. Note: The applicant intends to demolish the three PHA buildings and replace them with 50-units of new construction LIHTC development.

The site is not located within a flood plain and appears to drain well. However, this assessment is subject to both environmental and engineering studies. All public utility services are available to the tract and excess capacity exists. The surrounding land uses around the site are detailed below:

Direction	Existing Land Use
North	Bruce Street Park
East	Vacant
South	Residential
West	Residential

Neighborhood Description / Characteristics

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: nearby single-family and multi-family residential, nearby institutional use, and vacant use.

Directly north of the tracts is the Bruce Street Park, followed by the East Precinct Government Complex.

Directly south of the tracts is a mixture of single-family homes and public housing authority properties.

Directly west of the tracts is a mixture of single-family homes and public housing authority properties.

Directly east of the larger of the two tracts is vacant land.

The pictures on the following pages are of the site and surrounding land uses within the immediate vicinity of the site.



(1) - PHA 8-plex on smaller of two tracts, near intersection of Kelly and Bruce Streets.



(2) - PHA 8-plex on larger of two tracts, at the end of Kelly Street.



(3) - PHA 8-plex on larger of two tracts,
at the end of Kelly Street.



(4) - Vacant lot separating two subject tracts.



(5) - Entrance into subject tracts off Bruce Street, looking down Kelly Street.



(6) - Typical single-family home in the vicinity of the tracts.

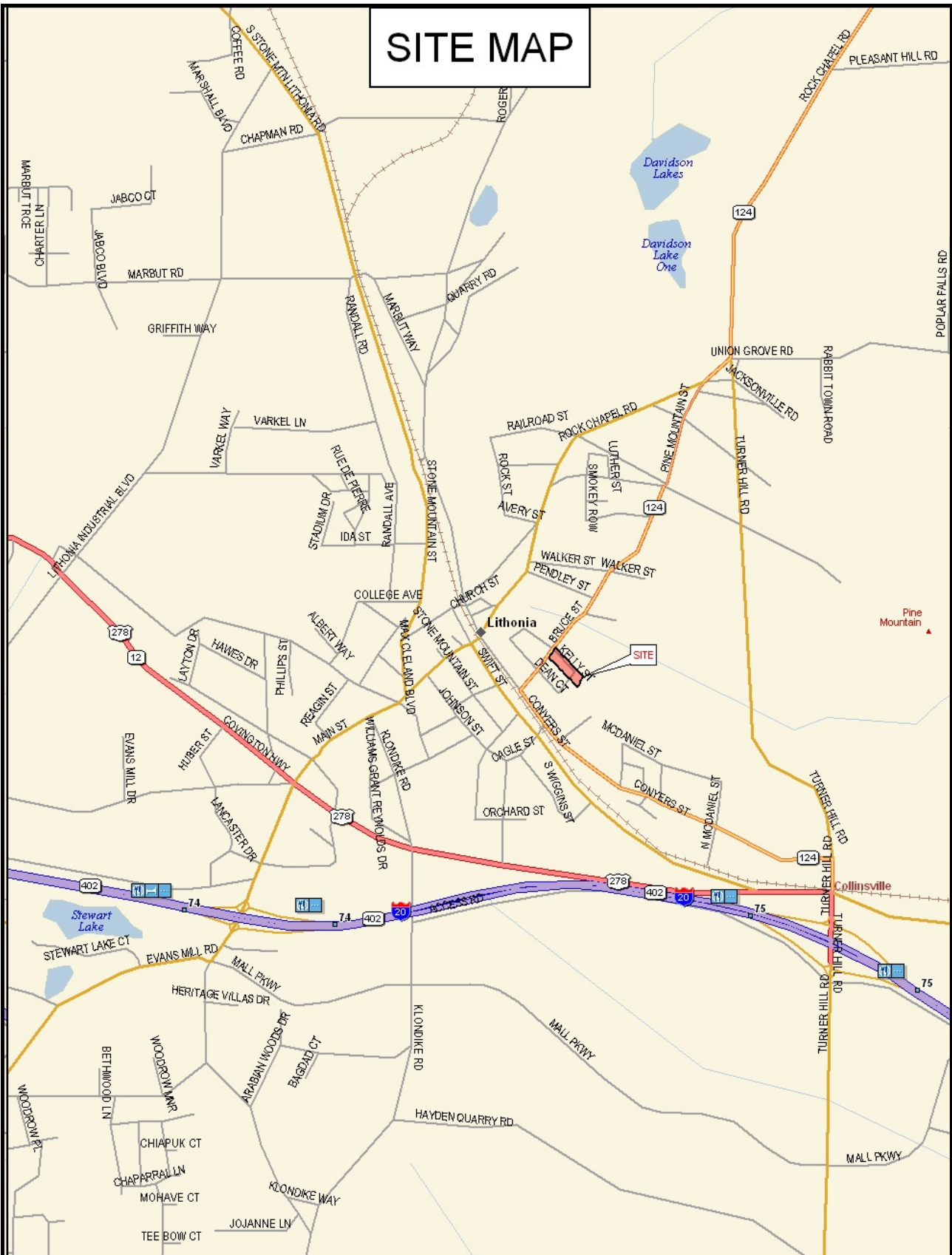


(7) - Bruce Street Park, site directly north (to the right).



(8) - PHA properties, off Bruce Street,
in the vicinity of the tracts.

SITE MAP



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MN (4.5° W)



Data Zoom 13-2

Access to Services

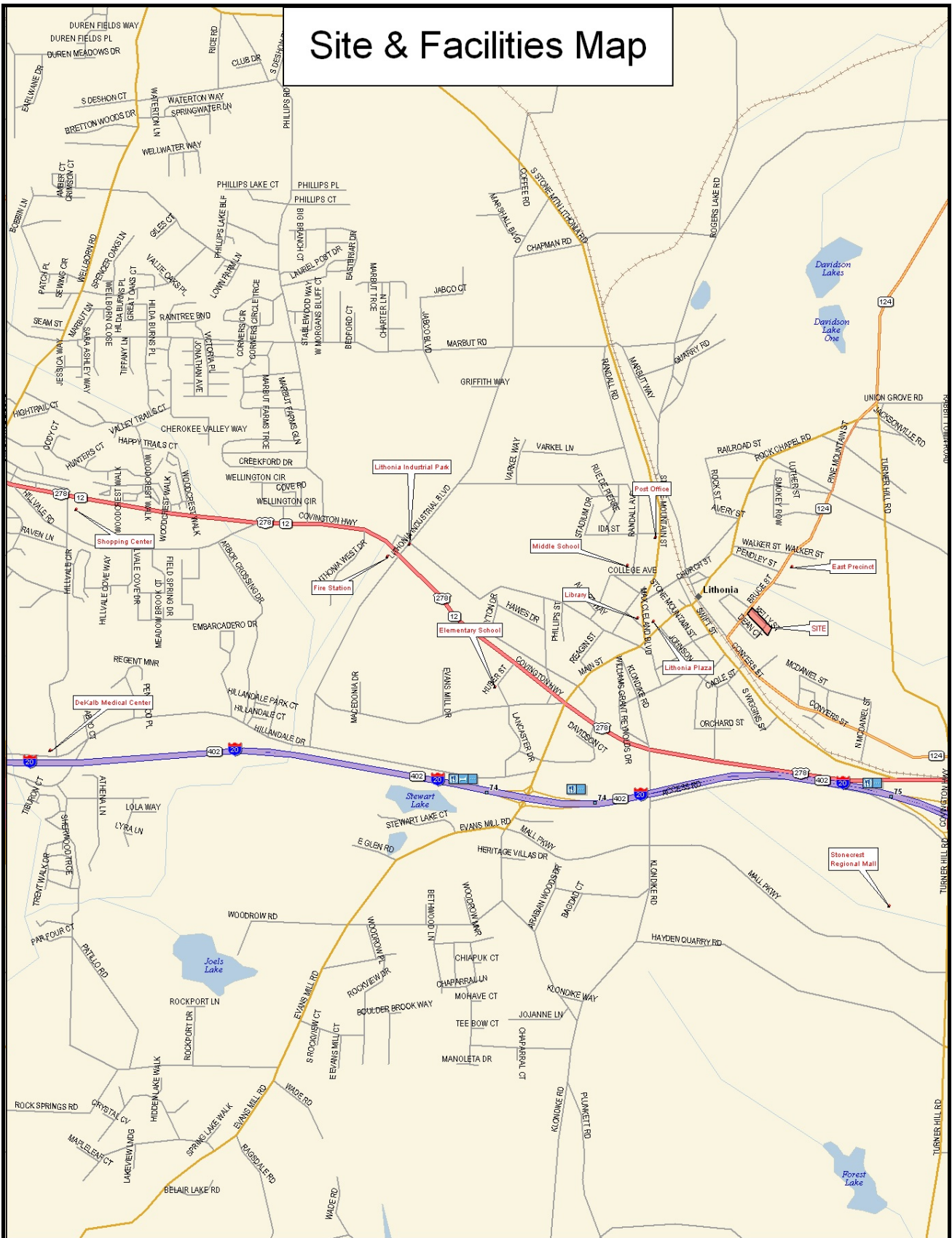
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Subject
East Precinct Government Complex	.1
Bruce Street Park	.1
Lithonia Plaza (Grocery Store)	.5
Post Office	.8
Library	.9
Middle School	1.0
Access to US 278	1.0
Elementary School	1.3
Access to I-20	1.4
Fire Station	1.7
Lithonia Industrial Park	2.0
Stonecrest Regional Mall	2.3
DeKalb Medical Center	3.3
Snapfinger Industrial Park	4.5
Walmart Supercenter	4.5
Access to I-285	9.0
Downtown Atlanta CBD	19.0

Note: Distance from subject is in tenths of miles and are approximated.

Site & Facilities Map



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MN (4.5° W)



Data Zoom 13-2

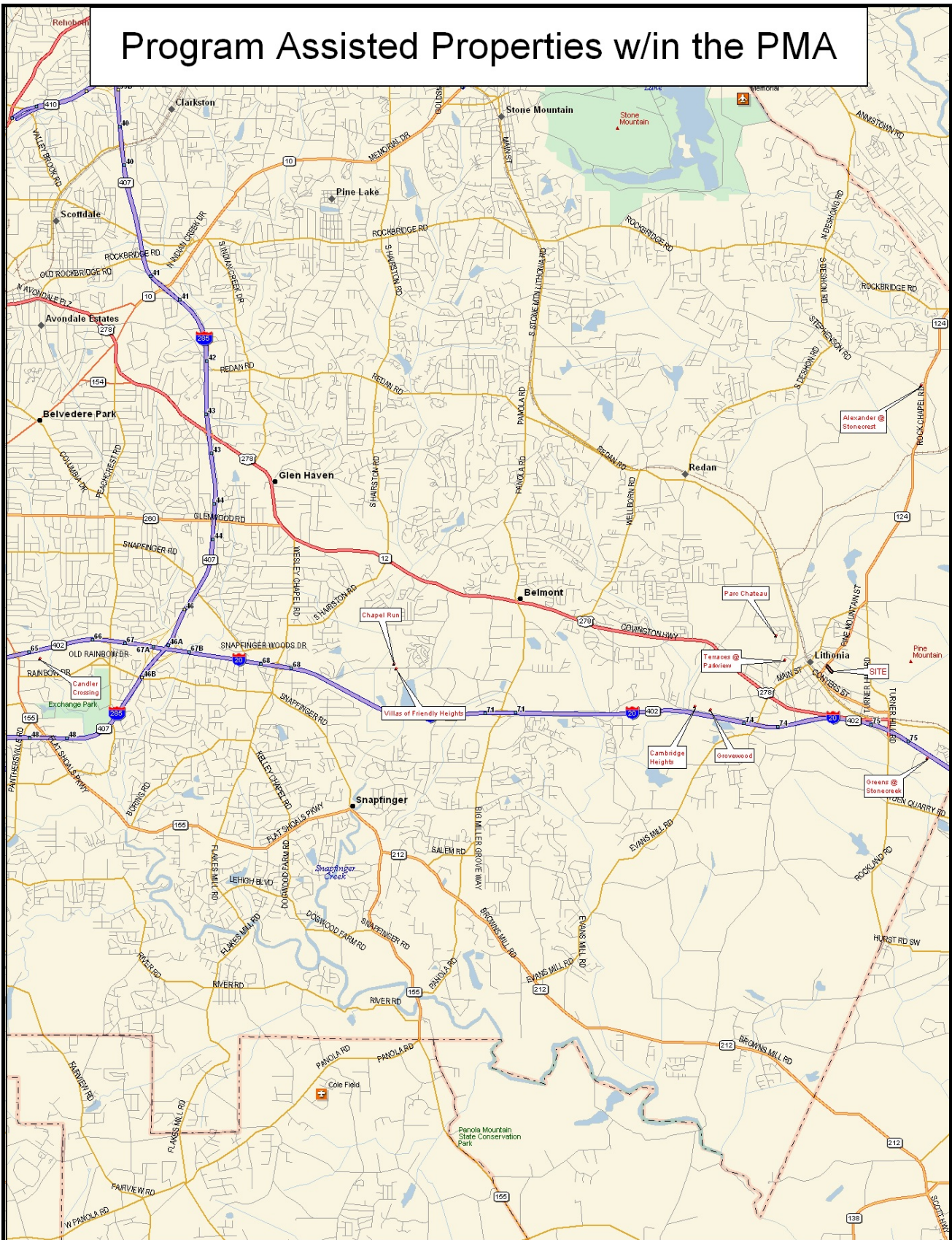
Program Assisted Apartments in the PMA

At present there are at least 8 existing LIHTC family apartment complexes and one HUD Section 236 complex located within the PMA. A map (on the next page) exhibits the competitive program assisted family properties within the PMA in relation to the site.

Project Name	Street Address	Program Type	Number of Units	Distance from Site
Alexander @ Stonecrest	Leslie Oaks	LIHTC/MR nc	262	2.9
Cambridge Heights aka Hillandale Park	6136 Hillandale Dr	LIHTC ar	132	2.9
Candlers Crossing	300 Ember Dr	LIHTC ar	276	10.5
Chapel Run	Snapfinger Woods Rd	LIHTC nc	172	6.7
Greens @ Stonecreek	100 Deercreek Crossing	LIHTC/MR Bond nc	138	3.0
Groveswood Park	Hillandale Dr	LIHTC nc	120	3.0
Parc Chateau	2361 Parc Chateau Dr	HUD 236 nc	177	1.0
Terraces @ Parkview	2526 Park Dr	LIHTC nc	89	1.0
Villas @ Friendly Heights	1300 Friendly Heights Blvd	LIHTC/MR nc	132	6.5

*a/r - acquisition/rehab nc - new construction Distance in tenths of miles

Program Assisted Properties w/in the PMA



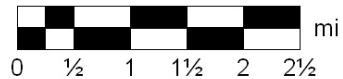
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MN (4.4° W)



Data Zoom 11-5

SUMMARY

The field visits for the site and surrounding market area were between May 17 and 20, 2008. The site inspector was Mr. Jerry M. Koontz.

The overall character of the neighborhood within the immediate vicinity of the site can be defined as a mixture of land use including: single-family and multi-family residential, nearby institutional use, and vacant land use. The site is located in the eastern portion of Lithonia, within the city limits.

At present, the site comprises two tracts occupied by three 8-plexes, managed by the Housing Authority of Lithonia. The 8-plexes were built in the early 1970's.

Access to the tracts is available off Kelly Street. Kelly Street is a very short residential connector which connects the site/tracts with Bruce Street to the west. Both Kelly and Bruce Streets are very low density roads with a speed limit of 25 miles per hour. Also, the location of the site/tracts off Kelly Street does not present problems of egress and ingress to the site/tracts.

The site offers good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of most negative externalities (including noxious odors, close proximity to power lines, close proximity to rail lines and junk yards).

A portion of the site in relation to the subject and the surrounding roads is not very agreeable to signage, in particular, the larger of the two tracts. The smaller of the two tracts is very agreeable to signage, in particular to passing traffic along Bruce Street.

Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability. In the opinion of the analyst, the site of the subject is considered appropriate as a multi-family development.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, and area schools	
Good linkages to area road system	
Nearby road speed and noise is acceptable	
Surrounding land uses are acceptable	

SECTION D

MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly

considers the **location** and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography as well as local interviews with key respondents regarding market specific input relating to market area delineation.

Primary Market Area

Based upon field research in Lithonia, the southern and southeastern portions of DeKalb County and a 5 to 10 mile area, along with an assessment of relevant items including: the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers, the Primary Market Area (PMA) for the proposed multi-family development consists of the following Census Tracts:

232.03, 233.02, 233.03, 233.06, 233.07, 233.09, 233.10,
 234.12, 234.13, 234.14, 234.15, 234.16, 234.17, 234.18, and
 235.07.

(See Primary Market Area Map)

The PMA is bounded as follows:

North	Central area of DeKalb County & and Gwinnett County
East	Rockdale County
South	Panthersville area of DeKalb County & Henry County
West	I-285 and southwest portion of DeKalb County

Transportation access to the PMA and within the PMA is excellent. I-20 and US 278 are the major east/west connectors. I-285, Panola Road and the Turner Hill Road (SR 124) are the major north/south connectors. Access to I-20 is about 1 mile south of the site and access to Turner Hill Road is about ½ mile to the west. I-285 is about 9 miles east.

Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the Primary Market Area. Demand for the development from the SMA is considered to be good to very good. Typically, 5% to 25% of program assisted apartment complexes are occupied by tenants from outside the PMA. It is estimated that the subject will attract 15% to 25% of its tenant base from outside the PMA. Note: The demand methodology in this market study utilized a predetermined GA-DCA market study guideline factor of 15%.

SECTION E

COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 7 exhibit indicators of trends in total population and household growth, for the Villages at Park View PMA.

Population Trends

Table 1, exhibits the change in **total** population in the Villages at Park View PMA and DeKalb County between 1990 and 2011. The year 2010 is estimated to be the first year of availability for occupancy of the subject property. The year 2000 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure in accordance with the 2008 GA-DCA Market Study Guidelines.

The PMA exhibited a very significant increase in population during the 1990's, at around 4% or 3,150 per year. Population gains over the next several years are forecasted for the PMA at a continuing significant rate of increase, represented by a rate of growth ranging between 2% to 3% per year.

A slight minority of the population in the PMA is located within the City of Lithonia. It is estimated that approximately 2% of the PMA population is located within the City of Lithonia.

DeKalb County exhibited significant total population gains during the 1990's, at over 2% per year. Population gains over the next several years are forecasted for the County at a positive yet reduced rate of gain.

Population Projection Methodology:

The forecasted total population was interpolated (between 2006 and 2011) for a 2010 estimate.

The Claritas data was used in the forecast of total population, within the PMA and county. In addition, the Georgia Office of Planning & Budget 2015 forecast and the ESRI projections were used as a cross check to the Claritas forecasts, but not in lieu of the other forecasts. Note: The forecasts for the City of Lithonia are subject to local annexation policy and were not estimated beyond the 2006 census estimate.

Sources: (1) 1990 and 2000 US Census, and 2001 - 2006 US Census estimates.

(2) Georgia 2010-2015 Residential Population Project of Georgia Counties, Source: Georgia Governor's Office of Planning and Budget (as of December, 2004).

(3) ESRI 2005/2006 and 2010/2011 Projections, 17th & 18th Editions.

(4) Claritas 2006 and 2011 HISTA Projections, Ribbon Demographics.

Table 1 Total Population Trends and Projections: Lithonia, Villages @ Park View PMA and DeKalb County					
Lithonia					
Year	Population	Total Change	Percent	Annual Change	Percent
1990	2,448	-----	-----	-----	-----
2000	2,187	- 261	- 10.66	- 26	- 1.07
2006	2,335	+ 148	+ 6.77	+ 25	+ 1.13
Villages @ Park View PMA					
1990	77,829	-----	-----	-----	-----
2000	109,307	+31,644	+ 40.45	+ 3,148	+ 4.04
2007	134,490	+25,183	+ 23.04	+ 3,598	+ 3.29
2010*	144,600	+10,110	+ 7.52	+ 3,370	+ 2.51
2011	147,970	+ 3,370	+ 2.33	+ 3,370	+ 2.33
DeKalb County					
1990	545,837	-----	-----	-----	-----
2000	665,865	+120,028	+ 21.99	+12,003	+ 2.20
2007	681,472	+ 15,607	+ 2.34	+ 2,230	+ 0.33
2010*	689,152	+ 7,680	+ 1.13	+ 2,560	+ 0.38
2011	691,712	+ 2,560	+ 0.37	+ 2,560	+ 0.37

* 2010 - Estimated year that project is placed in service.

Calculations - Koontz and Salinger. May, 2008.

Table 2 exhibits the change in population by age group in the Villages at Park View PMA between 2000 and 2011.

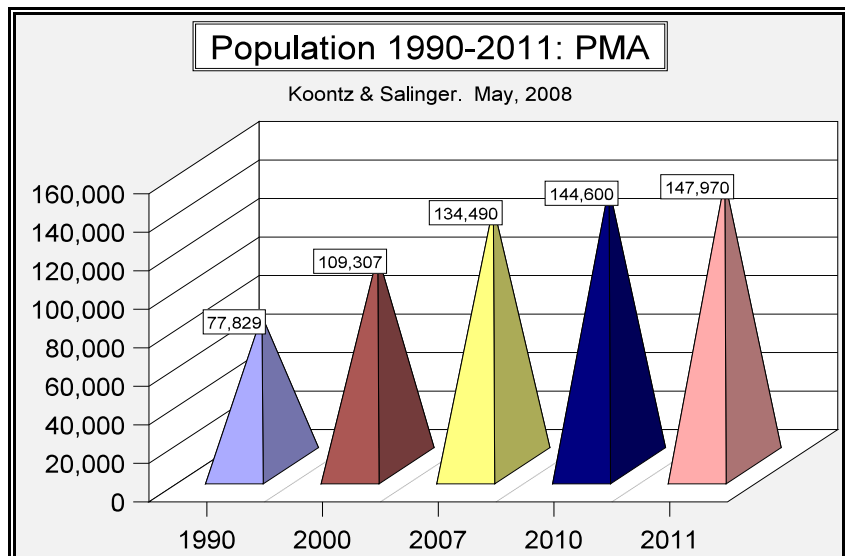
Table 2						
Population by Age Groups: Villages @ Park View PMA, 2000 - 2011						
	2000 Number	2000 Percent	2011 Number	2011 Percent	Change Number	Change Percent
Age Group						
0 - 4	8,843	8.09	10,554	7.13	+1,711	+19.35
5 - 17	25,239	23.09	29,019	19.61	+3,780	+14.98
18 - 24	9,639	8.82	14,632	9.89	+4,993	+51.80
25 - 44	38,914	35.60	41,673	28.16	+2,759	+ 7.09
45 - 54	15,252	13.95	24,334	16.45	+9,082	+59.55
55 - 64	6,224	5.69	16,967	11.47	+10,743	+172.61
65 +	5,196	4.75	10,791	7.29	+5,595	+107.68

Sources: 2000 Census of Population, Georgia.
 Claritas 2011 HISTA Projections, Ribbon Demographics.
 Koontz and Salinger. May, 2008.

Table 2 revealed that population is forecasted to increase in all of the displayed age groups in the PMA between 2000 and 2011. The increase is forecasted to be significant in the primary renter age group: of 18 to 44, at around 15%. Overall, a significant portion of the total PMA population is in the target property primary renter group of 18 to 44, representing around 38% of the total population.

Between 2000 and 2011 total population is projected to increase in the PMA at a significant rate of gain at approximately 3% per year. The majority of the increase has been in the western and southern portions of the PMA.

The figure to the right presents a graphic display of the numeric change in population in the PMA between 1990 and 2011.



HOUSEHOLD TRENDS & CHARACTERISTICS

Tables 3 exhibits the change in total households in the Villages at Park View PMA between 2000 and 2011. The significant to very significant increase in household formations in the PMA has continued over a 10 year period and is reflective of the continuing annualized net gain in population.

The increase in the rate of persons per household has continued over the last 10 years and is projected to continue at a reduced rate of increase between 2000 and 2011 in the PMA. The rate of change is based upon: (1) the increased number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The forecast for group quarters is based on trends in the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters' supply since the 2000 census.

Table 3					
Household Formations: 2000 to 2011					
Villages @ Park View PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household¹	Total Households²
2000	109,307	336	108,971	2.9444	37,009
2007	134,490	430	134,060	2.9692	45,150
2010	144,600	450	144,150	2.9799	48,374
2011	147,970	465	147,505	2.9830	49,448

Sources: Claritas, 2006 and 2011 Projections.

_____ 2000 Census of Population, Georgia. _____

Calculations: Data was interpolated between 2006 and 2011 and estimated for 2010.

_____ Koontz & Salinger. May, 2008.

¹Continuation of the 1990 to 2000 persons per household rate of change.

²Population in Households divided by persons per unit count.

<p>Table 4</p> <p>Households by Tenure, by Person Per Household</p> <p>Villages @ Park View PMA, 2000 - 2011</p>								
Households	Owner				Renter			
	2000	2011	Change	% 2011	2000	2011	Change	% 2011
1 Person	4,857	6,845	+1,988	17.80%	1,827	2,740	+ 913	24.92%
2 Person	7,995	10,797	+2,802	28.08%	2,061	2,574	+ 513	23.41%
3 Person	6,327	8,616	+2,289	22.41%	1,665	2,027	+ 362	18.43%
4 Person	5,311	6,658	+1,347	17.32%	1,496	1,932	+ 436	17.57%
5+Person	4,211	5,536	+1,325	14.40%	1,259	1,723	+ 464	15.67%
Total	28,701	38,452	+9,751	100%	8,308	10,996	+2,688	100%

Sources: 2000 Census of Population, Georgia.
Claritas 2011 HISTA Projections, Ribbon Demographics.
Koontz and Salinger. May, 2008.

Table 4 indicates that in 2011 approximately 75% of the renter-occupied households in the Villages at Park View PMA contain 2 to 6 persons (the target group by household size).

The majority of these households are:

- couples, roommates,
- single head of households with children, and
- families with children.

A significant increase in renter households by size was exhibited by 1 person households. Noticeable increase in renter households by size were also exhibited by 2, 3 and 4 persons per household. One person households are typically attracted to both 1 and 2 bedroom rental units and 2 and 3 person households are typically attracted to 2 bedroom units, and to a lesser degree three bedroom units. It is estimated that between 35% and 40% of the renter households in the PMA fit the bedroom profile for a 3BR unit. Given the proposed income targeting, rent positioning of the subject and 2000 and 2011 trends, the appropriate estimate is considered to be 35% versus 40%.

Table 5 exhibits households in the Villages at Park View PMA by owner-occupied and renter-occupied tenure. The 2000 to 2011 projected trend supports a change in the tenure ratio slightly favoring owner-occupied households on a percentage basis.

Overall, a significant net numerical gain is forecasted for owner-occupied tenure and a moderate to significant increase is forecasted in renter-occupied households within the PMA.

<p>Table 5</p> <p>Households by Tenure: 2000-2011</p> <p>Villages @ Park View PMA</p>					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	37,009	28,701	77.55	8,308	22.45
2007	45,150	35,088	77.71	10,062	22.29
2010	48,374	37,611	77.75	10,763	22.25
2011	49,448	38,452	77.76	10,996	22.24

Sources: 2000 Census of Population, Georgia.
 Claritas 2011 HISTA Projections, Ribbon Demographics.
 Koontz and Salinger. May, 2008.

Table 6 exhibits building permit data between 2000 and March, 2008. The permit data is for Unincorporated DeKalb County.

Between 2000 and March, 2008, 47,016 permits were issued in Unincorporated DeKalb County, of which, 18,274 or approximately 39% were multi-family units, both owner-occupied and renter-occupied.

Table 6 New Housing Units Permitted: Unincorporated DeKalb County 2000-2008¹					
Year	Net Total ²	1 Unit	2 Units	3-4 Units	5+ Units
2000	5,947	4,198	--	--	1,749
2001	7,268	4,595	--	--	2,673
2002	7,200	4,097	--	4	3,099
2003	4,796	3,884	--	--	912
2004	6,392	3,676	--	--	2,716
2005	5,898	3,296	--	10	2,592
2006	4,176	2,765	--	--	1,411
2007	4,633	1,912	--	--	2,721
2008	706	319	--	--	387
Total	47,016	28,742	--	14	18,260

¹Sources: New Privately Owned Housing Units Authorized In Permit Issuing Places, 2000 - 2008, U.S. Department of Commerce, C-40 Construction Reports. U.S. Census Bureau.

²Net total equals new SF and MF dwellings units.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents and/or the availability of deep subsidy rental assistance (RA) for USDA-RD developments.

The estimate of the upper income limit is based on the most recent set of HUD Median Income Guidelines for five person households (the maximum household size for a 3BR unit, for the purpose of establishing income limits) in the Atlanta Metropolitan Area (which includes DeKalb County, Georgia) at 50% and 60% of the area median income (AMI).

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income.

Tables 7A and 7B exhibit renter households, by income group, in the Villages at Park View PMA in 2000 and 2006, forecasted to 2011.

The projection methodology is based on Claritas forecasts for households, by tenure, by age and by income group for the year 2006 and 2011, with a base year data set of 2000 (US Census). A 2010 estimate was interpolated based on the trend between the 2006 and 2011 data sets and utilized within the quantitative demand methodology.

Note: The data set used in Tables 7A and 7B is from Claritas and Ribbon Demographics.

Tables 7A and 7B exhibit renter-occupied households, by income in the Villages at Park View PMA in 2000, estimated to 2006, and projected to 2011.

Table 7A				
Villages @ Park View PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2000 Number	2000 Percent	2006 Number	2006 Percent
Under \$10,000	748	9.00	838	8.53
10,000 - 20,000	1,199	14.43	1,256	12.78
20,000 - 30,000	1,434	17.26	1,493	15.19
30,000 - 40,000	1,507	18.14	1,615	16.43
40,000 - 50,000	1,119	13.47	1,339	13.62
50,000 - 60,000	897	10.80	1,082	11.01
60,000 +	1,404	16.90	2,206	22.44
Total	8,308	100%	9,829	100%

Table 7B				
Villages @ Park View PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2006 Number	2006 Percent	2011 Number	2011 Percent
Under \$10,000	838	8.53	888	8.08
10,000 - 20,000	1,256	12.78	1,225	11.14
20,000 - 30,000	1,493	15.19	1,495	13.60
30,000 - 40,000	1,615	16.43	1,658	15.08
40,000 - 50,000	1,339	13.62	1,499	13.63
50,000 - 60,000	1,082	11.01	1,191	10.83
60,000 +	2,206	22.44	3,040	27.65
Total	9,829	100%	10,996	100%

Sources: 2000 Census of Population, Georgia.
Claritas, HISTA Data, Ribbon Demographics.
Koontz and Salinger. May, 2008.

Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies and one bedrooms, 1 person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom. (Note that estimated rents must be net of utility allowances.)
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2008 HUD Income Guidelines were used.
- (5) - 10% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 50 two and three bedroom units
The recommended maximum number of people per unit is:

2BR - 2, 3 and 4 persons
3BR - 3, 4, 5 and 6 persons

Analyst Note: As long as the unit in demand is income qualified
there is no minimum number of people per unit.

The proposed development will target approximately 30% of the units at 50% or below of area median income (AMI); 60% of the units at 60% AMI and 10% at Market.

The lower portion of the target income range is set by the proposed subject 2BR and 3BR rents at 50% and 60% AMI and at Market.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property's intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income to rent. GA-DCA has set the estimate for non elderly applications at 35%.

The proposed 2BR net rent at both 50% and 60% AMI is \$690. The estimated utility costs is \$102. The proposed 2BR gross rent at 50% and 60% AMI is \$792.

The proposed 3BR net rent at 50% and 60% AMI is \$801. The estimated utility costs is \$118. The proposed 3BR gross rent at 50% and 60% AMI is \$919.

The proposed 2BR net rent at Market is \$769. The estimated utility costs is \$102. The proposed 2BR gross rent at Market is \$871. The proposed 3BR net rent at Market is \$894. The estimated utility costs is \$118. The proposed 3BR gross rent at Market is \$1,012.

Based on the proposed gross rents the lower income limits at 50% and 60% AMI was established at \$27,150. Based on the proposed gross rent the lower income limits at Market is established at \$40,000.

The AMI at 50% and 60% for 1 to 5 person households in the Atlanta MSA (which includes DeKalb County) follows:

	50% AMI	60% <u>AMI</u>
1 Person -	\$24,900	\$29,880
2 Person -	\$28,500	\$34,200
3 Person -	\$32,050	\$38,460
4 Person -	\$35,600	\$42,720
5 Person -	\$38,450	\$46,140

Source: 2008 HUD Median Income Guidelines.

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The subject will position 15-units at 50% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$27,155 to \$38,450.

It is projected that in 2010 approximately **17%** of the renter households in the PMA were in the subject property 50% AMI LIHTC target income group.

60% AMI

_____The subject will position 30-units at 60% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$27,150 to \$46,140.

It is projected that in 2010 approximately **27.5%** of the renter households in the PMA were in the subject property 60% AMI LIHTC target income group.

Market Rate

The subject will position 5-units at Market.

The overall **Target Income Range** for the proposed subject property targeting households at Market Rate is \$40,000 to \$60,000.

It is projected that in 2010 approximately **24.5%** of the renter households in the PMA were in the subject property Market Rate target income group.

Adjustments

In order to adjust for income over lap between the targeted income segments the following adjustments were made: (1) the 60% income segment estimate was reduced slightly in order to account for overlap with the 50% AMI income target group, but only slightly given fact that only 15-units will target renters at 50% AMI and the proposed net rents are the same as those set at 60% AMI; and (2) the Market Rate income segment estimate of 24.5% was reduced in order to account for income over lap at 60% AMI.

It is estimated that approximately **10%** of the overall income qualified range will target households at the 50% AMI segment; **17.5%** will target households at the 60% AMI segment and **20%** in the Market Rate income segment.

ECONOMIC & EMPLOYMENT TRENDS

The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net immigration.

Tables 8 through 13 exhibit labor force trends by employment, changes in employment sectors and changes in average annual weekly wages for DeKalb County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 8 Civilian Labor Force and Employment Trends, DeKalb County: 2000, 2006 and 2007			
	2000	2006	2007
Civilian Labor Force	382,690	387,999	396,858
Employment	370,271	368,677	378,698
Unemployment	12,419	19,322	18,160
Rate of Unemployment	3.2%	5.0%	4.6%

Table 9 Change in Employment, DeKalb County				
Years	# Total	# Annual*	% Total	% Annual*
2000 - 2006	- 1,594	- 228	- 0.43	- 0.06
2006 - 2007	+10,021	Na	+ 2.72	Na

* Rounded

Na - Not applicable

Sources: Georgia Labor Force Estimates, 2000 - 2007. Georgia Department of Labor, Workforce Information Analysis.

Koontz and Salinger. May, 2008.

Employment Trends

Table 10

Employment Change and Rates of Unemployment, DeKalb County

Year	Number Employed	Change Over Previous Year	Unemployment Rate
<hr/>			
2000	370,271	-----	3.2
2001	365,011	- 5,260	4.0
2002	354,822	- 10,189	5.5
2003	350,110	- 4,712	5.5
2004	345,008	- 5,102	5.4
2005	349,162	+ 4,154	5.9
2006	368,677	+ 19,515	5.0
2007	378,698	+ 10,021	4.6
<hr/>			
2008 (01)	380,381	-----	5.3
2008 (02)	379,222	- 1,159	5.3
2008 (03)	382,540	+ 3,318	5.3

<p style="text-align: center;">Table 11</p> <p style="text-align: center;">Average Monthly Covered Employment by Sector, DeKalb County, 2005 and 2006</p>							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2005	290746	11,870	18,915	50,117	17,038	32,487	45,466
2006	279351	11,086	16,947	47,017	15,482	32,036	45,703
05-06 # Ch.	-11395	-784	-1,968	-3,100	-1,556	- 451	+ 237
05-06 % Ch.	-3.9	- 6.6	- 10.4	- 6.2	- 9.1	- 1.4	+ 0.5

% Ch. 2005 to 2006 = % Increase/Decrease

Note: Con - Construction; Mfg - Manufacturing; T - Retail and Wholesale Trade;
FIRE - Finance, Insurance and Real Estate; HCSS - Health Care and
Social Services; G - Federal, State & Local Government

Sources: Georgia Labor Force Estimates, 2000 - 2008. Georgia Department
of Labor, Workforce Information Analysis.

Koontz and Salinger. May, 2008.

Table 12, exhibits average annual weekly wages in 2005 and 2006 in the major employment sectors in DeKalb County. The rate of change in wages has for the most part matched or exceeded the recent rate of inflation, as measured by the consumer price index (CPI) for about half of the employment sectors and has decreased or stabilized for about one-third. It is estimated that the majority of workers in the service and trade sectors in 2008 will have average weekly wages between \$425 and \$950.

Table 12 Average Annual Weekly Wages, 2005 and 2006 DeKalb County				
Employment Sector	2005	2006	% Numerical Change	Annual Rate of Change
Total	\$ 842	\$ 877	+ 35	+ 4.2
Construction	\$ 895	\$ 904	+ 9	+ 1.0
Manufacturing	\$ 991	\$1075	+ 84	+ 8.5
Wholesale Trade	\$1223	\$1267	+ 44	+ 3.6
Retail Trade	\$ 511	\$ 505	- 6	- 1.2
Transportation & Warehouse	\$ 751	\$ 803	+ 52	+ 6.9
Finance	\$1188	\$1148	- 40	- 3.4
Real Estate Leasing	\$ 806	\$ 856	+ 50	+ 6.2
Health Care Services	\$ 761	\$ 767	+ 6	+ 0.8
Leisure & Hospitality	\$ 296	\$ 308	+ 14	+ 4.1
Federal Government	\$1390	\$1460	+ 70	+ 5.0
State Government	\$ 641	\$ 657	+ 16	+ 2.5
Local Government	\$ 777	\$ 795	+ 18	+ 2.3

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2005 and 2006.

Koontz and Salinger. May, 2008.

Major Employers

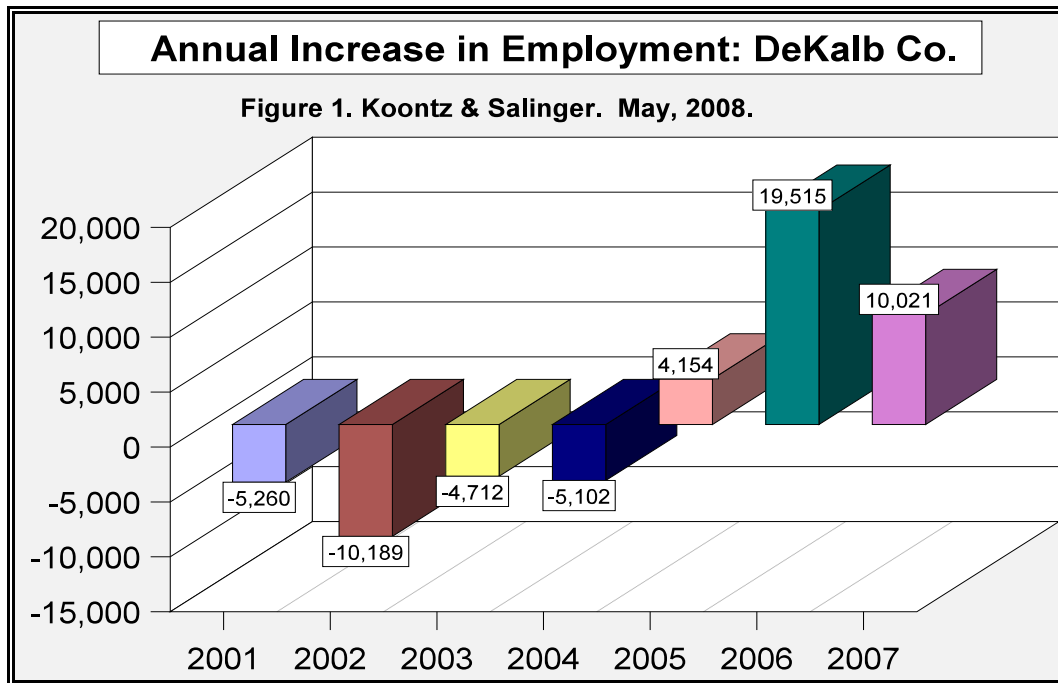
The major employers in Metro Atlanta are listed in Table 13.

Table 13		
Major Employers		
Firm	Product/Service	Employees
Gwinnett County	School System	27,197
Emory University	Education	21,797
Delta Air Lines	Transportation	19,235
Publix	Grocery	16,855
Kroger	Grocery	15,500
Bell South	Telecommunications	15,500
Walmart	Retail Trade	14,700
DeKalb County	School System	14,500
US Postal Service	Mail System	14,000
Home Depot	Retail Trade	13,184
Cobb County	School System	13,000
Fulton County	School System	10,892
UPS	Express Document Service	10,500
Wellstar	Healthcare	10,112
Atlanta City	Government	7,934
SunTrust Banks	Finance	7,768
Lockheed Martin	Defense Contractor	7,531
IBM	Computer Services	7,500
Northside Hospital	Healthcare	7,100
Georgia Tech	University	7,075
Clayton County	School System	6,826
Atlanta Public	School System	6,702
US Center for Disease Control	Disease Prevention	6,500
Wachovia	Finance	6,000
Turner Broadcasting	News & Entertainment	5,959
Cox Enterprises	Publishing	5,606
The Southern Company	Energy Company	5,490

Sources: Metro Atlanta Chamber of Commerce, Research Department.
DeKalb County Office of Economic Development.

SUMMARY

The economic situation for DeKalb County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 8-13, DeKalb County has experienced mostly significant employment gains from the mid part of the new decade onward. Employment losses were experienced between 2001 and 2004, primarily in the manufacturing sector of the local economy. Over the last two years, very significant net gains in employment levels have been the norm in DeKalb County.



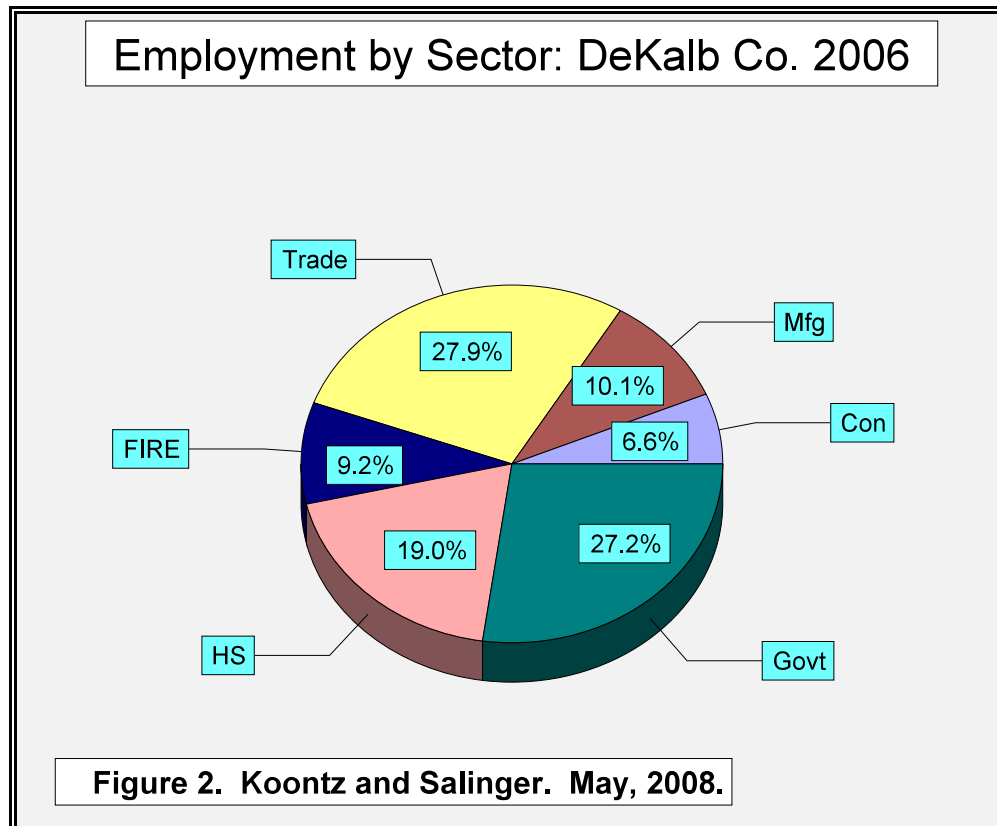
As represented in Figure 1 (and Table 9), between 2000 and 2006, the average decrease in employment was approximately 230 workers or around -0.1%, per year. The rate of employment gain between 2006 and 2007, was very significant at over 2.5%, representing a net increase of over 10,000 workers.

The Metro Atlanta/DeKalb County economy is extremely well diversified with an excellent mixture of service, trade, communications, government and manufacturing employment opportunities. The site is located within 15-miles of several major areas of employment opportunities including: (1) the Downtown Central Business District of Atlanta, (2) Georgia Regional Hospital, (3) Hartsfield-Jackson Airport, (4) South DeKalb & Stonecrest Malls, and (5) several area industrial and business parks.

Located within 15 miles of the subject is home to one of the largest airports in the world, physically, and the largest in the world in terms of air travel business, Hartsfield-Jackson Atlanta International Airport.

Hartsfield-Jackson Atlanta International Airport is responsible for approximately 56,000 airline, ground transportation, concessionaire, security, and local and federal government jobs. The total airport payroll is around \$2.4 billion, resulting in a direct and indirect economic impact of around \$5.6 billion on the local and regional economy.

Figure 2 exhibits employment by sector in DeKalb County in 2006. The top employment sectors in the County are: manufacturing, trade, government and service. The forecast for 2007 is for the manufacturing sector to either stabilize or decrease slightly. The forecast for the service (in particular healthcare services), trade and government sectors is for an increase in employment.



Local Economy - Relative to Subject & Impact on Housing Demand

The Metro Atlanta / DeKalb County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the excellent location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential renters from those sectors of the workforce who are in need of affordable housing and a reasonable commute to work. In particular, a reasonable commute to the Stonecrest Mall, the Lithonia Industrial Park, the Airport, the Georgia Regional Hospital complex as well as to the Downtown Central Business District of Atlanta.

In summary, the forecast of economic growth into 2008 is considered to be extremely positive. Employment growth for 2008 is expected to be positive but not as strong as exhibited in 2007, as the local area economy works out the negative impacts of: (1) Fort McPherson and Fort Gillem closing, (2) the Ford Motor plant closing (in 2007), (3) the upcoming closing of the GM plant (in 2008) and (4) the slow down in residential development owing to the present mortgage crisis.

However, there are enough positive signs at present signaling that the local economy will continue to grow at an overall positive rate into 2008. This in turn will assist in the strengthening of the overall demand for rentals by younger households and to give support for local landlords to increase rents on an annual basis as overall supply versus demand tightens. The increase in demand support will be strengthened as fewer home buying households will qualify for entry level homes and unfortunately there will be an increase in new tenants owing to an increase in local area foreclosures. An increase in net rents will be (or should be) commensurate to the increase in the CPI more so than to changes in area wage rates.

Recently the Georgia Economic Development Department forecasted that over the next 2-years Dekalb County is expected to generate 100,000 new jobs, of which the majority are expected to be generated via small business growth. In the opinion of the analyst, this forecast is considered to be overly aggressive. However, 25,000+ (net gain) new jobs created over the next two years is considered to be more in the realm of possibility.

A map of the major employment concentrations in the PMA is exhibited on the next page.

Major Concentrations of Employment

Map showing major concentrations of employment in the Atlanta area, including:

- Snapfinger Woods Industrial Park
- Belmont
- Redan Industrial Park
- Fleetway East Industrial Park
- Lithonia Industrial Park
- Lithonia
- DeKalb Medical Center
- Stonecrest Mall
- Commercial Nucleus

Map includes major roads (I-20, I-75, I-405, etc.) and a scale bar (0 to 1 3/4 miles).

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SECTION F

PROJECT-SPECIFIC DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified GA-DCA demand methodology. This incorporates several sources of income eligible demand, including demand from new renter household growth and demand from

existing renter households already residing within the PMA. In addition, given the amount of substandard and overcrowded housing conditions that still exists in the PMA market, the potential demand from substandard housing will be examined.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an estimated projected year that the subject will be placed in service of 2010.

In this section, the effective project size is 50-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 7A and 7B from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered within the context of the current market conditions. This analysis assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like-kind competitive supply. In this case discriminated by age and income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted family apartment projects in the market area.

Effective Demand Pool

In this methodology, there are three basic sources of demand for an apartment project to acquire potential tenants:

- * net household formation (normal growth),
- * existing renters who are living in substandard housing, and
- * existing renters who choose to move to another unit, typically based on affordability (rent overburdened), project location and features.

As required by the most recent set of GA-DCA Market Study Guidelines, several adjustments are made to the basic model. The methodology adjustments are:

- (1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2008 to 2010 forecast period,
- (2) taking into consideration like-kind competition introduced into the market between 2000 and 2007, and
- (3) for secondary market area demand (a 15% adjustment factor).

Note: The secondary market area adjustment factor is pre determined and specified in the most current GA-DCA Market Study Guideline instructions.

Growth

For the PMA, forecast housing demand through household formation totals 11,365 households over the 2000 to 2010 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2000 to 2010, forecast period it is calculated that 2,455 or approximately 22% of the new households formations would be renters.

Based on 2010 income forecasts, 2467 new renter households fall into the 50% AMI target income segment of the proposed subject property; 430 new renter households fall into the 60% AMI target income segment; and 491 in the Market Rate segment.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. In 2000, 39 households were living in renter-occupied dwelling units without complete plumbing facilities in the PMA and 415 households were living in renter-occupied dwellings in over crowded conditions. The total number of existing renters that were in substandard housing based on the 2000 Census was 454.

Based on a field analysis of the Villages at Park View PMA and immediate surrounding areas, the introduction of new LIHTC and Tax Exempt Bond developments within the PMA since 2000, along with an examination of the trends in substandard data between the 1990 and 2000 censuses, it is estimated that in 2010 there are 200 renter households in substandard housing conditions in the PMA.

Based on 2010 income forecasts, 20 substandard renter households fall into the target income segment of the proposed subject property at 50% AMI; 35 are in the 60% AMI segment; and 10 are in the Market Rate segment.

Demand from Existing Renters that are Rent Overburdened

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. Forecasting this percentage estimate forwarded into 2010 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households (in 2010) have remained the same since 2000. That is approximately 50% of the renters with incomes in the 50% AMI target income segment, 40% of the renters with income in the 60% AMI target income segments are rent overburdened and 5% of the renters with incomes in the Market Rate target income segment are rent overburdened.

*Note: HUD and the US Census define a rent over burdened household at 30% of income to rent.

In the PMA it is estimated that 528 existing renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property; 740 are in the 60% AMI segment; and 106 are in the Market Rate segment.

Total Effective Tenant Pool - PMA

The potential demand from these sources (in the PMA) total 794 households/units at 50% AMI. The potential demand from these sources (in the PMA) total 1,205 households/units at 60% AMI. The potential demand from these sources (in the PMA) total 607 households/units at Market. These estimates comprises the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA, by income target group segment.

Secondary Market Area Adjustment (15% factor)

The following is in the 2008 GA-DCA Market Study Guidelines: "To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115% to account for demand from the secondary market area." The 15% adjustment factor is applied to all of the **combined** demand estimates (regardless of tenure) as detailed in the overall demand methodology.

The secondary market area adjustment factor increased demand by 119 households at 50% AMI; 181 households at 60% AMI and 91 households at Market.

Total Effective Tenant Pool - PMA & SMA

The potential demand from the demand methodology sources from both the PMA and SMA total 931 households/units at 50% AMI. The potential demand from the demand methodology sources from both the PMA and SMA total 1,386 households/units at 60% AMI. The potential demand from the demand methodology sources from both the PMA and SMA total 698 households/units at Market. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from both the PMA and SMA.

These estimates of demand were adjusted for the introduction of new like-kind supply into the PMA between the 2000 to 2010 forecast period. Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

The final segmentation process of the demand methodology was to subtract out like-kind competition/supply in the PMA built as a LIHTC property or acquired and rehabed as a LIHTC property since 2000. In the case of the subject, like-kind supply includes other LIHTC and/or LIHTC/Home family developments, and Tax Exempt Bond family developments.

Note: Since 2000, five like-kind competitive family apartment developments have been introduced into the PMA offering LIHTC and Market Rate 2BR and 3BR units.

Like Kind Supply

Alexander @ Stonecrest	2003	(98 @60% AMI and 70 @Market)
Chapel Run	2004	(126 @60% AMI and 0 @Market)
Greens @ Stonecreek	2002	(100 @60% AMI and 38 @Market)
Villas at Friendly Hgts	2002	(78 @60% AMI and 8 @Market)
Cambridge Heights*	2008	(132 @60% AMI and 0 @Market)

*Renovated in 2008 and brought into the LIHTC program. Was known as the Hillandale Park Apartments.

Taking these complexes into consideration reduced the target demand pool to 913 at 50% AMI; 852 at 60% AMI; and 582 at Market.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration. According to local sources and documentation one LIHTC program assisted multi-family apartment development targeting the non elderly population is in the pipeline for development within the PMA.

In 2007, GA-DCA awarded the 89-unit LIHTC Terraces at Parkview application. This property might offer 100% PBRA, but in order to remain conservative all 89-units will be assumed to be placed into the market at 60% AMI without PBRA. Source: Interviews with existing area LIHTC apartment managers and a review of approved applications presented to GA-DCA between 2000 and 2007 within the Lithonia market, focusing on that area within the PMA

The segmented, effective demand pool for the proposed LIHTC/Market Rate development is summarized in Tables 14 and 15.

Table 14: LIHTC Component**Quantitative Demand Estimate: Villages @ Park View PMA**

	50%	60%
	<u>AMI</u>	<u>AMI</u>
● <u>Demand from New Growth - Renter Households</u>		
Total Projected Number of Households (2010)	10,763	10,763
Less: Current Number of Households (2000)	<u>8,308</u>	<u>8,308</u>
Change in Total Renter Households	+2,455	+2,455
% of Renter Households in Target Income Range	<u>10%</u>	<u>17.5%</u>
Total Demand from New Growth	+ 246	+ 430
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2000)	454	454
Number of Households in Substandard Housing(2010)	200	200
% of Substandard Households in Target Income Range	<u>10%</u>	<u>17.5%</u>
Number of Income Qualified Renter Households	20	35
● <u>Demand from Existing Renter Households</u>		
Number of Renter Households (2010)	10,763	10,763
Minus substandard housing segment	200	200
Net Number of Existing Renter Households	10,563	10,563
% of Households in Target Income Range	<u>10%</u>	<u>17.5%</u>
Number of Income Qualified Renter Households	1,056	1,849
Proportion Income Qualified (that are Rent Overburden)	<u>50%</u>	<u>40%</u>
Total	528	740
● <u>Net Total Demand from the PMA</u>	794	1,205
● <u>Secondary Market Area Adjustment</u>		
Net Total Demand	794	1,205
Adjustment Factor of 15%	<u>15%</u>	<u>15%</u>
Demand from SMA Adjustment	119	181
● <u>Gross Total Demand (PMA & SMA)</u>	913	1,386
Minus New Supply of Competitive Units (2000-2008)	<u>0*</u>	<u>534*</u>
● <u>Gross Total Demand (Renter, Owner, Non Tenure & SMA)</u>	151	852

*2BR & 3BR LIHTC units at: Alexander @ Stonecrest, Chapel Run, Greens @ Stonecreek, Villas @ Friendly Heights, Cambridge Heights

Capture Rate Analysis - LIHTC Component

Total Number of Households Income Qualified = 1,765. For the subject 45 LIHTC units vacant; this equates to an overall LIHTC Capture Rate of 2.6%.

LIHTC Capture Rates by AMI

● <u>Capture Rate</u> (45 unit subject, by AMI)	50%	60%
	<u>AMI</u>	<u>AMI</u>
Number of Units in Subject Development	15	30
Number of Income Qualified Households	913	852
Required Capture Rate	1.6%	3.5%

- Total Demand by Bedroom Mix

It is estimated that approximately 65% of the target group fits the profile for a 2BR unit and 35% of the target group is estimated to fit a 3BR unit profile. Source: Table 4 and Survey of the Competitive Environment.

- Total Demand Adjustment at 50% AMI

At present there is one LIHTC/Market Rate like kind competitive property either under construction or in the pipeline for development. None of the 2BR and 3BR units at the Terraces at Parkview will target households at 50% AMI.

Total Demand by Bedroom Type (at 50% AMI)

2BR - 593
3BR - 320

Total - 913

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
2BR	593	0	593	12	2.0%
3BR	320	0	320	3	0.9%

- Total Demand Adjustment at 60% AMI

At present there is one LIHTC/Market Rate like kind competitive property either under construction or in the pipeline for development. 53 of the 2BR units and 14 of the 3BR units at the Terraces at Parkview will target households at 60% AMI.

Total Demand by Bedroom Type (at 60% AMI)

2BR - 554
3BR - 298

Total - 852

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
2BR	554	53	501	25	5.0%
3BR	298	14	284	5	1.8%

Table 15: Market Rate Component**Quantitative Demand Estimate: Villages @ Park View PMA**

	Market Rate
● <u>Demand from New Growth - Renter Households</u>	
Total Projected Number of Households (2010)	10,763
Less: Current Number of Households (2000)	<u>8,308</u>
Change in Total Renter Households	+2,455
% of Renter Households in Target Income Range	<u>20%</u>
Total Demand from New Growth	+ 491
● <u>Demand from Substandard Housing with Renter Households</u>	
Number of Households in Substandard Housing(2000)	454
Number of Households in Substandard Housing(2010)	200
% of Substandard Households in Target Income Range	<u>5%</u>
Number of Income Qualified Renter Households	10
● <u>Demand from Existing Renter Households</u>	
Number of Renter Households (2010)	10,763
Minus substandard housing segment	200
Net Number of Existing Renter Households	10,563
% of Households in Target Income Range	<u>20%</u>
Number of Income Qualified Renter Households	2,113
Proportion Income Qualified (that are Rent Overburden)	<u>5%</u>
Total	106
● <u>Net Total Demand from the PMA</u>	607
● <u>Secondary Market Area Adjustment</u>	
Net Total Demand	607
Adjustment Factor of 15%	<u>15%</u>
Demand from SMA Adjustment	91
● <u>Gross Total Demand (PMA & SMA)</u>	698
Minus New Supply of Competitive Units (1999-2008)	<u>116*</u>
● <u>Gross Total Demand (Renter, Owner, Non Tenure & SMA)</u>	582

*2BR & 3BR Market Rate units w/in LIHTC properties:
Alexander @ Stonecrest, Chapel Run, Greens @ Stonecreek,
Villas @ Friendly Heights, Cambridge Heights

Capture Rate Analysis - Market Rate Component

● <u>Capture Rate</u> (5 Market Rate units)	Market <u>Rate</u>
Number of Units in Subject Development	5
Number of Income Qualified Households	582
Required Capture Rate	0.9%

- Total Demand by Bedroom Mix

It is estimated that approximately 65% of the target group fits the profile for a 2BR unit and 35% of the target group is estimated to fit a 3BR unit profile.
Source: Table 4 and Survey of the Competitive Environment.

- Total Demand Adjustment at Market

It is assumed that during the forecast period, 200 2BR units and 100 3BR units will be introduced within the PMA and be competitive with market rate units situated within a LIHTC property, as if the competitive units were placed within a LIHTC property environment.

Total Demand by Bedroom Type (at Market)

2BR - 378

3BR - 204

Total - 582

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
2BR	378	200	178	3	1.7%
3BR	204	100	104	2	1.9%

Absorption Rate Analysis

Given the strength (or lack of strength) of the demand estimated in Tables 14 and 15, the most likely/best case scenario for 93% to 100% rent-up is estimated to be 6 months (at 8-units per month on average) or less.

Note: In addition, the absorption of the project is contingent upon an attractive product, a competitive amenity package, competitive rents and professional management.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher.

Overall Impact to the Rental Market

Given the current rental market vacancy rate and the forecasted strength of demand for the expected entry of the subject in 2010, it is estimated that the introduction of the proposed development will probably have little to no long term negative impact on the PMA program assisted apartment market. Any imbalance caused by initial tenant turnover is expected to be temporary, i.e., less than / up to 1 year. (Note: This expectation is contingent upon neither catastrophic natural nor economic forces effecting the Lithonia / DeKalb County apartment market and local economy in 2010.)

SECTION G

COMPETITIVE ENVIRONMENT & SUPPLY ANALYSIS

This section of the report evaluates the general rental housing market conditions in the PMA, for both program assisted properties and market rate properties. Part I of the survey focused upon the existing LIHTC program assisted family properties within the PMA. Part II consisted of a sample survey of conventional

apartment properties in the PMA. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Lithonia PMA apartment market is representative of an urban apartment market, with a very sizable mixture of small to large apartment properties as well as a very sizable mixture of conventional properties and program assisted properties.

Survey of the Competitive Environment - LIHTC Family Supply

* Nine LIHTC family properties, representing 1,498-units, were surveyed within the PMA, in detail. At the time of the survey, one of the LIHTC family properties was in the process of rehab and another was in the process of new construction development.

* At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted LIHTC family properties was approximately 3%. The typical occupancy rate reported at the surveyed LIHTC properties ranged between 94% and 99%. Half of the surveyed LIHTC properties reported to have a waiting list.

* The bedroom mix of the surveyed LIHTC apartment properties is 17% 1BR, 53% 2BR, 29.5% 3BR, and 0.5% 4BR.

* The survey of the LIHTC family apartment market targeting households at 60% AMI exhibited the following: median, average, and range of net rents, by bedroom type, in the area competitive environment:

LIHTC Competitive Environment - Net Rents (60% AMI)			
BR/Rent	Average	Median	Range
1BR/1b	\$665	\$630	\$595-\$730
2BR/1b	\$690	Na	\$679-\$710
2BR/2b	\$778	\$770	\$699-\$860
3BR/2b	\$857	\$850	\$740-\$945
4BR/2b	\$1045	\$1045	Na

Source: Koontz & Salinger. May, 2008

* The sizes of the units targeting households at 60% AMI vary widely. Listed below are the average, median and range of the unit sizes, by bedroom type for the surveyed LIHTC family properties:

LIHTC (60% AMI) Competitive Environment - Unit Size, by Bedroom			
Bedroom Type	Average	Median	Range
1BR/1b	823	800	714-856
2BR/1b	969	954	950-1009
2BR/2b	1042	1000	964-1122
3BR/2b	1218	1220	1023-1405
4BR/2b	1423	1423	Na

Source: Koontz & Salinger. May, 2008

* The estimated rent per square foot data for the surveyed LIHTC family properties targeting households at 60% AMI, by bedroom type is:

LIHTC (60% AMI) Competitive Environment - Rent Per SF			
Bedroom Type	Average	Median	Range
1BR/1b	\$.81	\$.79	\$.75-\$.85
2BR/1b	\$.71	Na	\$.68-\$.72
2BR/2b	\$.75	\$.77	\$.69-\$.80
3BR/2b	\$.70	\$.70	\$.67-\$.72
4BR/2b	\$.73	\$.73	Na

Source: Koontz & Salinger. May, 2008

Survey of the Competitive Environment - Market Rate Supply

* Twenty market rate properties, representing 5,341 units, were surveyed within or adjacent to the PMA, in detail. Several key factors in the PMA market rate apartment market include:

* At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties was approximately 4.5%. The reported ranged of typical occupancy rates was 85% to 98%. The median typical occupancy rate was 93%. None of the surveyed market properties reported having a waiting list.

* The bedroom mix of the surveyed conventional apartment properties is 27% 0BR & 1BR, 57% 2BR, and 16% 3BR & 4BR.

* The survey of the market rate apartment market exhibited the following: median, average, and range of net rents, by bedroom type, within the area competitive environment:

Conventional Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$700	\$690	\$495-\$950
2BR/1b	\$778	\$800	\$600-\$886
2BR/2b	\$835	\$790	\$595-\$1100
3BR/2b	\$913	\$940	\$730-\$1195
4BR/2b	\$911	\$926	\$830-\$1040

Source: Koontz & Salinger. May, 2008

* The sizes of the units vary widely. Listed below are the average, median and range of the unit sizes, by bedroom type for the surveyed market rate properties:

Conventional Competitive Environment - Unit Size, by Bedroom			
Bedroom Type	Average	Median	Range
1BR/1b	785	740	573-1070
2BR/1b	1027	1010	864-1100
2BR/2b	1145	1160	864-1350
3BR/2b	1524	1350	1202-1740
4BR/2b	1828	1515	1350-2377

Source: Koontz & Salinger. May, 2008

* The estimated rent per square foot data for the surveyed market rate properties, by bedroom type is:

Conventional Competitive Environment - Rent Per SF			
Bedroom Type	Average	Median	Range
1BR/1b	\$.89	\$.93	\$.86-\$.89
2BR/1b	\$.76	\$.79	\$.69-\$.81
2BR/2b	\$.73	\$.68	\$.67-\$.81
3BR/2b	\$.60	\$.70	\$.58-\$.72
4BR/2b	\$.50	\$.61	\$.44-\$.67

Source: Koontz & Salinger. May, 2008

* 14 of the 20 market rate properties offer some type of rent and/or security deposit concession.

* Security deposits range in amount from \$0 to \$350. The median security deposit is \$200.

* Fifty percent of the market rate properties offer no utilities in the net/contract rent. 50% of the surveyed market rate properties do include trash removal in the net rent and 10% include water, sewer and trash removal.

Fair Market Rents

The 2008 Fair Market Rents for the Atlanta MSA (which includes DeKalb County, GA) are as follows:

Efficiency	= \$ 684
1 BR Unit	= \$ 741
2 BR Unit	= \$ 824
3 BR Unit	= \$1003
4 BR Unit	= \$1094

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.org

Note: The proposed subject property gross rents, by bedroom type at 50% and 60% AMI are set below the 2008 maximum Fair Market Rents in the Atlanta MSA at the 50% and 60% AMI level for the subject 2BR and 3BR units. Thus, the proposed subject property 2BR and 3BR units at 50% and 60% AMI will be readily marketable to area Section 8 voucher holders.

Table 16, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed LIHTC apartment properties in the PMA competitive environment.

Table 16 SURVEY OF PMA LIHTC APARTMENT COMPLEXES PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	50	---	40	10	Na	---	\$690-\$769	\$801-\$894	---	850	1100
Alexander Stone Crest	262	94	112	56	8	\$695-\$795	\$825-\$939	\$945-\$1100	856	1093	1329
Cambridge	132	--	66	66	**	--	\$735	\$835	--	1000	1197
Candlers Crossing	276	60	166	50	20	\$629	\$679-\$699	\$825	850	950-1000	1200
Chapel Run	172	36	88	48	1	\$730	\$860	\$945-\$1045	834	1082	1222-1423
Greens @ Stonecrest	138	--	69	69	3	--	\$825-\$1010	\$945-\$1100	--	1122	1344
Groveswood	120	--	56	64	0	--	\$700	\$740	--	1004	1153
Parc Chateau	177	12	102	63	0	\$361-\$418	\$409-\$474	\$440-\$510	596	930	1125
Terraces @ Parkview	89	22	53	14	**	\$595	\$710	\$810	718	954-1090	1267-1405
Friendly Heights	132	30	78	24	4	\$610-\$670	\$770-\$850	\$900	714-748	964-998	1023
Total*	1,498	254	790	454	36						

* - Excludes the subject property

** - In process of rehab or new construction development

Note: 4BR units included in 3BR count

Source: Koontz and Salinger. May, 2008.

Table 17, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed market rate apartment properties in the PMA competitive environment.

Table 17 SURVEY OF PMA MARKET RATE APARTMENT COMPLEXES PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	50	---	40	10	Na	---	\$690-\$769	\$801-\$894	---	850	1100
Ansley Oaks	95	15	67	13	4	\$645-\$650	\$685-\$738	\$857-\$926	850	1100	1250-1350
Arbor Crsg	240	60	124	56	5	\$635	\$735	\$850	740	1005	1250
Ashley V.	312	108	144	60	1	\$797	\$947	\$937	750	1035	1202
Autumn Cove	48	39	9	--	1	\$549	\$629-\$669	--	576	864	--
Concepts 21	250	70	144	36	16	\$570-\$601	\$659-\$750	\$816	605-876	1090-1136	1279
Creekside Corner	440	130	265	45	37	\$685-\$705	\$836-\$865	\$1045	696-755	1054	1354
Creekside	280	98	154	28	17	\$790-\$950	\$1000-\$1100	\$1130-\$1145	704-1070	1022-1219	1384
C. Atlanta	200	48	120	32	11	\$565	\$665	\$775	740	1005	1250
Hampton Woods	344	168	176	--	3	\$644-\$649	\$789	--	573-652	1003	--
Highland Greens	415	--	286	125	10	--	\$620-\$795	\$740-\$940	--	1072-1350	1411-1585
Highland Estates	140	40	70	30	10	\$560	\$680	\$805-\$1040	990	1250	1740-2377
Lexington	215	110	80	25	8	\$750	\$875	\$1040	884	1161	1354
Oaks @ Stonecrest	280	19	229	32	16	\$570	\$600-\$695	\$775	726	960-1008	1276
Rainbow Forest	166	--	100	66	2	--	\$675	\$775	--	1161	1322-1464
Retreat @ Stonecrest	276	114	144	18	13	\$765	\$895	\$1050	890	1120	1350
Towering Pines	216	60	92	64	22	\$495	\$595	\$730-\$830	727	964	1217-1515

Table 17 SURVEY OF PMA MARKET RATE APARTMENT COMPLEXES PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Walden Brook	256	60	146	50	5	\$695- \$850	\$858- \$895	\$1015- \$1054	732	1013- 1252	1425- 1532
Wesley Kensington	371	110	210	51	25	\$686	\$853	\$1016	920	1280	1525
Wesley Providence	579	169	340	70	20	\$730- \$770	\$875- \$890	\$1100	920	1280	1525
Wesley Stonecrest	218	65	131	22	4	\$721	\$834	\$1195	700	1000	1250
Total*	5,341	1,483	3,031	827	230						

* - Excludes the subject property

0BR units are included in the 1BR count

4BR units are included in the 3BR count

Source: Koontz and Salinger. May, 2008.

Table 18, exhibits the key amenities of the subject and the surveyed LIHTC apartment properties.

Table 18 SURVEY OF PMA LIHTC APARTMENT COMPLEXES UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Alexander Stonecrest	x	x	x		x	x	x	x	x	x	x	x	x
Cambridge	x	x			x	x	x	x	x	x	x		x
Candlers Crossing	x	x	x		x	x	x	x	x	x	x		x
Chapel Run	x	x	x		x	x	x	x	x	x	x	x	x
Greens Stonecreek	x	x	x		x	x	x	x	x	x	x	x	x
Groveswood	x	x			x	x	x	x	x	x	x	x	x
Parc Chateau	x	x			x	x			x	x	x	x	x
Terrace @ Parkview	x	x			x	x	x	x	x	x	x	x	
Friendly Heights	x	x	x		x	x	x	x	x	x	x	x	x

Source: Koontz and Salinger. May, 2008.

Key: A - On-Site Mgmt B - Central Laundry C - Pool
D - Tennis Court E - Playground/Rec Area F - Dishwasher
G - Disposal H - W/D Hook-ups I - A/C
J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Table 19, exhibits the key amenities of the subject and the surveyed Market Rate apartment properties.

Table 19 SURVEY OF PMA MARKET RATE APARTMENT COMPLEXES UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Ansley Oak		x	x			x		x	x	x	x		x
Arbor Crsg	x	x	x	x	x	x	x	x	x	x	x	x	x
Ashley V.	x	x	x	x	x	x	x	x	x	x	x	x	
Autumn C.	x	x				s	x	x	x	x	x		x
Concepts 21	x	x	x		x	x	x	x	x	x	x	x	x
Creekside Crossing	x	x	x		x	x	x	x	x	x	x	x	x
Creekside	x	x	x		x	x	x	x	x	x	x	x	x
Crossing A.	x		x		x	x	x	x	x	x	x	x	x
Hampton W	x	x	x		x	x	x	x	x	x	x	x	x
Highland Greens	x	x	x		x	x	x	x	x	x	x	x	x
Highland E	x	x	x		x	x	x	x	x	x	x	x	x
Lexington	x	x	x		x	x	x	x	x	x	x	x	x
Oaks @ S.	x	x	x	x	x	x	x	x	x	x	x	x	x
Rainbow F	x	x	x		x	x	x	x	x	x	x	s	x
Retreat S.	x	x	x		x	x	x	x	x	x	x	x	x
Towering F	x	x	x		x	x	x	x	x	x	x	x	x
Walden B	x	x	x	x	x	x	x	x	x	x	x	x	x
Wesley K	x	x	x	x	x	x	x	x	x	x	x	x	x
Wesley P	x	x	x	x	x	x	x	x	x	x	x	x	x
Wesley S	x	x	x	x	x	x	x	x	x	x	x	x	x

Source: Koontz and Salinger. May, 2008.

Key: A - On-Site Mgmt B - Central Laundry C - Pool
D - Tennis Court E - Playground/Rec Area F - Dishwasher
G - Disposal H - W/D Hook-ups I - A/C
J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Reconciliation of LIHTC Net Rents

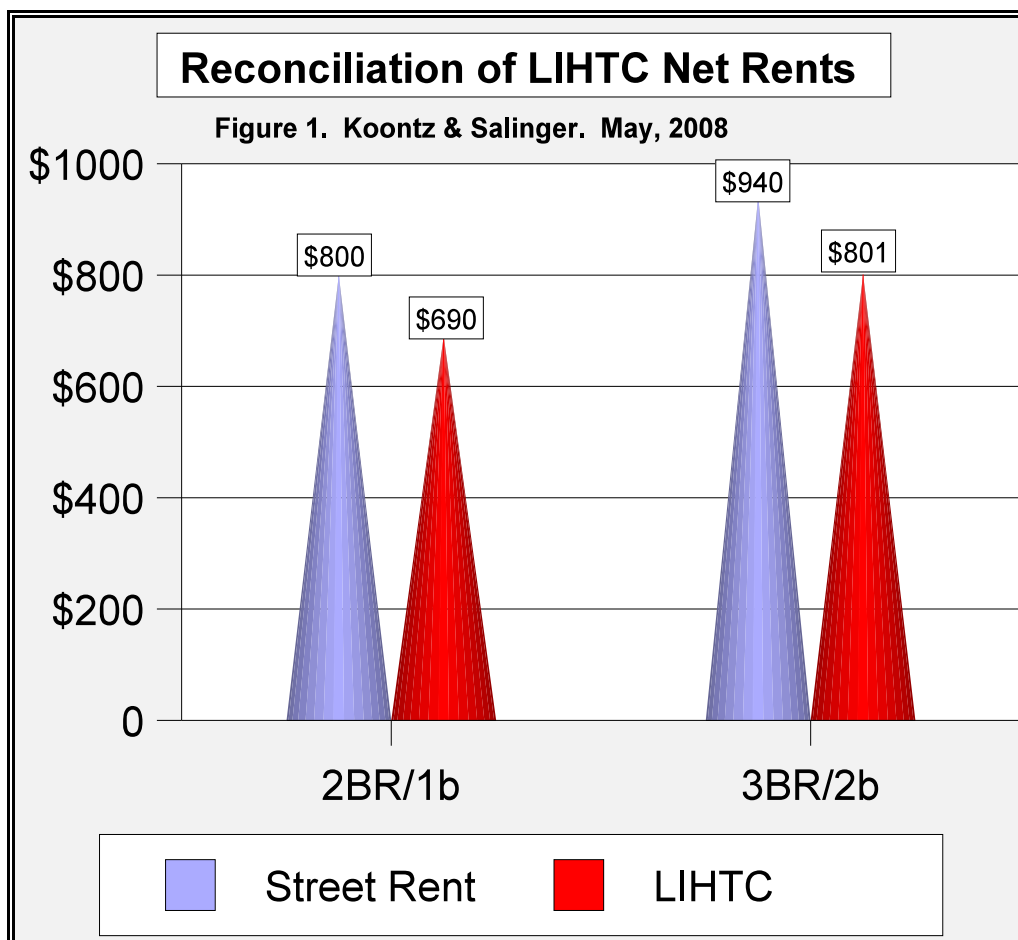
The survey of the competitive environment revealed the following market based findings regarding net rents for the proposed 2BR and 3BR LIHTC units. Figure 1 below exhibits the estimated average conventional (street) net rents in relation to the proposed subject property 2BR and 3BR net rents at 50% and 60% AMI.

Data Set

Proposed

Bedroom Type	Market Rate Street Rent	Subject Rents at 50% AMI & 60% AMI	
2BR/1b	\$800	\$690	\$690
3BR/2b	\$940	\$801	\$801

Figure 1, reveals that the proposed subject 2BR/1b net rent at 50% AMI and 60% AMI is approximately 14% less than the comparable/competitive 2BR/1b net rents at Market. The proposed subject 3BR/2b net rent at 50% AMI and 60% AMI is approximately 15% less than the comparable/competitive 3BR/2b net rents at Market.



Reconciliation of 2BR & 3BR Net Rents - @ Market

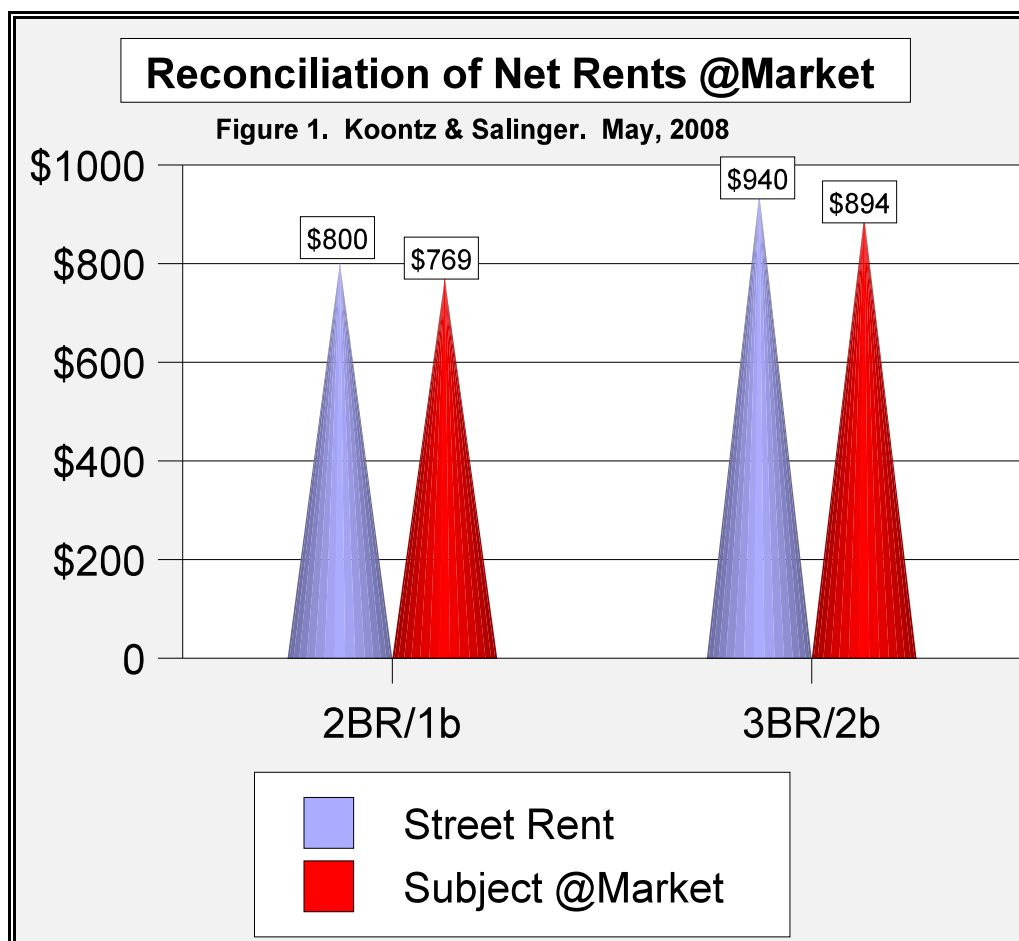
The survey of the competitive environment revealed the following market based findings regarding net rents for the proposed 2BR and 3BR units targeting households at Market. Figure 1 below exhibits the estimated average conventional (street) net rents for 2BR and 3BR units in relation to the proposed subject property 2BR and 3BR net rents at Market.

Data Set

Proposed

<u>Bedroom Type</u>	<u>Market Rate Street Rent</u>	<u>Subject Rents at Market</u>
2BR/1b	\$800	\$769
3BR/2b	\$940	\$894

Figure 1, reveals that the proposed subject 2BR/1b net rent at Market is approximately 4% less than the comparable/competitive 2BR/1b net rents at Market. The proposed subject 3BR/2b net rent at Market is approximately 5% less than the comparable/competitive 3BR/2b net rents at Market.



The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information.

A map showing the location of the surveyed LIHTC properties is provided on page 13. A map showing the location of the surveyed Market Rate properties is provided on page 91.

Survey of the Competitive Environment - Family LIHTC Properties

1. Alexander @ Stonecrest, 100 Leslie Oaks (770) 482-7759

Contact: Barry. Lsg Cons (5/6/08)
Date Built: 2002
Contact Type: Telephone interview

Type: LIHTC/Market
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>AMI Rent</u> <u>50% & 60%</u>	<u>Market Rate</u> <u>Rent</u>	<u>Size</u> sf	<u>Vacant</u>
1BR/1b	70	\$695		856	2
1BR/1b	24		\$795	856	1
2BR/2b	70	\$825		1093	3
2BR/2b	42		\$939	1093	2
3BR/2b	28	\$945		1329	0
3BR/2b	28		\$1100	1329	0
Total	262				8

Typical Occupancy Rate: 97%
Security Deposit: \$150
Utilities Included: trash

Waiting List: No
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes (office)	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 3 story walk-up

Remarks: 25% of units have Section 8 voucher holders; 3BR in most demand



2. Cambridge Heights, 6136 Hillandale Rd (770) 981-6323

Contact: Kathy Cox (5/7/08)

Date Built: rehabed as a LIHTC - 2008

Contact Type: Telephone interview

Type: LIHTC Rehab

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2b	66	\$735		1000	*
3BR/2b	66	\$835		1197	*
Total	132				"In process of Rehab"

Typical Occupancy Rate: Na

Security Deposit: \$250

Utilities Included: None

Waiting List: Na

Concessions: No

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2-story walk-up

Remarks: 68% of complex or 90-units have been renovated; of the 90-units Rehabed - 100% are occupied; 3BR units are in greatest demand



3. Candler's Crossing, 3000 Ember Dr, Decatur (404) 244-6114

Contact: Ms Shadee (5/6/08)
Date Built: 1968 Rehab 1994
Contact Type: Telephone interview

Type: LIHTC Rehab
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Net Rent</u> <u>60% AMI</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	60	\$629	850	2
2BR/1b	100	\$679	950	5
2BR/2b	66	\$699	1000	5
3BR/2b	50	\$825	1200	8
Total	276			20

Typical Occupancy Rate: 94%
Security Deposit: \$200
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Some	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 3 story walk-up

Remarks: 15 units have Section 8 vouchers



4. Chapel Run, 4522 Snapfinger Woods, Decatur (770) 808-5777

Contact: Antonia, Lsg Cons (5/6/08)
Date Built: 2003
Contact Type: Telephone interview

Type: LIHTC/Tax Ex Bond
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Net Rent</u> <u>60% AMI</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	36	\$730	834	1
2BR/2b	88	\$860	1082	0
3BR/2b	36	\$945	1222	0
4BR/2b	12	\$1045	1423	0
Total	172			1

Typical Occupancy Rate: 99%
Security Deposit: \$150
Utilities Included: trash

Waiting List: Yes (4)
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 3 story walk-up

Remarks: 50% Section 8 voucher holders; 3BR & 4BR in most demand



5. Greens @ Stonecreek, 101 Deercreek Crsg (770) 481-9401

Contact: Management (5/7/08)
Date Built: 2003
Contact Type: Telephone interview

Type: LIHTC/MR Bond
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2b	50	\$825		1122	1
2BR/2.5b	19		\$1010	1122	0
3BR/2b	50	\$945		1344	2
3BR/2.5b	19		\$1100	1344	0
Total	138				3

Typical Occupancy Rate: 97%
Security Deposit: \$150
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Some	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	No
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2 story walk-up

Remarks: 10%-20% Section 8 voucher holders



6. Grovewood Park, 6170 Hillandale Dr

(770) 808-4431

Contact: Lisa Jones, Mgr (5/7/08)

Type: LIHTC

Date Built: 1996

Condition: Very Good

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Net Rent</u> <u>60% AMI%</u>	<u>Market Rate</u> <u>Rent</u>	<u>Size</u> sf	<u>Vacant</u>
2BR/2b	56	\$700		1004	0
3BR/2b	64	\$740		1153	0
Total	120				0

Typical Occupancy Rate: 99%

Waiting List: Yes

Security Deposit: \$350

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	No
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 2-story walk-up

Remarks: 3 to 6 month waiting list



7. Parc Chateau, 2361 Park Chateau Dr

(770) 482-2530

Contact: Tonya (5/8/08)

Type: HUD 236

Date Built: 1974

Condition: Good

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Net Rent</u> <u>40% AMI%</u>	<u>Market Rate</u> <u>Rent</u>	<u>Size</u> <u>sf</u>	<u>Vacant</u>
1BR/1b	12	\$361	\$418	596	0
2BR/1b	102	\$409	\$474	930	0
3BR/1.5b	63	\$440	\$510	1125	0
Total	177				0

Typical Occupancy Rate: 99%

Waiting List: Yes

Security Deposit: 1 month rent

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2 story walk-up

Remarks: 15 to 20 units are occupied by Section 8 voucher holders



8. Terraces @ Parkview, 2526 Park Dr

(404)873638273

Contact: Ms. Sule Carpenter (5/8/08)

Type: LIHTC

Date Built: 2008

Condition: Excellent

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Net Rent</u> <u>60% AMI</u>	<u>Size</u> sf	<u>Vacant</u>
1BR/1b	22	\$595	718	*
2BR/1b	53	\$710	954-1090	*
3BR/2b	14	\$810	1267-1405	*
Total	89			"In process of development"

Typical Occupancy Rate: Na

Waiting List: Na

Security Deposit: Na

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

Mgmt Office	Yes	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 3 story walk-up

Remarks: 100% PBRA

9. Villas of Friendly Heights, 1300 Friendly Heights Blvd (770) 322-8700

Contact: Joseph, Mgr (5/12/08)
Date Built: 2002
Contact Type: Telephone interview

Type: LIHTC/Market
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	9	PBRA		714-748	0
1BR/1b	21	\$610-\$670		714-748	0
2BR/2b	16	PBRA		964-998	0
2BR/2b	54	\$770		964-998	3
2BR/2b	8		\$850	964-998	0
3BR/2b	24	\$900		1023	1
Total	132				4

Typical Occupancy Rate: 99%

Waiting List: Yes

Security Deposit: Na

Concessions: No

Utilities Included: water, sewer, trash

Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	No

Design: 3 story walk-up w/controlled access

Remarks: 25% of the units have Section 8 vouchers; business center



Survey of the Competitive Environment - Market Rate

1. Ansley Oak, 6813 Main Street

(770) 482-7557

Contact: Barbara, Mgr (5/6/08)
Date Built: 1969
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	1	\$645	850	\$.76	1
1BR/1.5b TH	14	\$650	850	\$.76	1
2BR/1b	1	\$685	1100	\$.62	1
2BR/1.5b TH	66	\$738	1100	\$.67	0
3BR/1.5b TH	12	\$857	1250	\$.69	1
4BR/1.5b TH	1	\$926	1350	\$.69	0
Total	95				4

Typical Occupancy Rate: 95%

Waiting List: No

Security Deposit: \$0

Concessions: Yes

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	No	Pool	Yes
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Tennis Court	No

Design: 2 story walk-up & townhouse

Remarks: concession = no admin fee of \$200



2. Arbor Crossing Apartments, Arbor Crossing Dr (770) 981-5471

Contact: Yolanda, Mgr (5/6/08)
Date Built: 1989
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	60	\$635	740	\$.86	0
2BR/2b	124	\$735	1005	\$.73	5
3BR/2b	56	\$850	1250	\$.68	0
Total	240				5

Typical Occupancy Rate: low 90's
Security Deposit: \$175
Utilities Included: None

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Tennis Court	Yes

Design: 3 story walk-up
Remarks: concession on admin fee and security deposit



3. Ashley Vista Apartments, 100 Camellia Ln (770) 482-5840

Contact: Ms Catassia (5/8/08)
Date Built: 2000
Contact Type: Telephone interview

Type: Market Rate
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	108	\$797	750	\$1.06	1
2BR/2b	144	\$947	1035	\$.92	0
3BR/2b	60	\$937	1202	\$.78	0
Total	312				1

Typical Occupancy Rate: low 90's
Security Deposit: %150
Utilities Included: trash

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Tennis Court	Yes

Design: 3-story walk-up

Remarks: does not accept Section 8 vouchers; rent concession = deposit



4. Autumn Cove, 6200 Hillandale Dr

(770) 981-5460

Contact: Ms Okamie, Mgr. (5/8/08)

Date Built: 1986

Contact Type: Telephone interview

Type: Market Rate

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	39	\$549	576	\$.95	0
2BR/1b	6	\$629	864	\$.73	0
2BR/2b	3	\$669	864	\$.77	1
Total	48				1

Typical Occupancy Rate: 98%

Security Deposit: \$200

Utilities Included: None

Waiting List: No

Concessions: No

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes wall
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Some	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: walk-up



5. Concepts 21, 5650 Hillandale Dr

(770) 593-1988

Contact: Michelle, Lsg. Con. (5/6/08)

Type: Market Rate

Date Built: 1988

Condition: Very Good

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
0BR/1b	24	\$570	605	\$.58	1
1BR/1b	46	\$601	876	\$.57	2
2BR/1b	68	\$659	1090	\$.57	3
2BR/2b	76	\$750	1136	\$.62	7
3BR/2b	36	\$816	1279	\$.62	3
Total	250				16

Typical Occupancy Rate: 92%

Waiting List: No

Security Deposit: \$125

Concessions: No

Utilities Included: trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: two-story walk-up

Remarks: studio's & 1BR's in most demand - typically full



6. Creekside Corner Apartments, 5301 Fairington (770) 323-2265

Contact: Ms. Katrina, Mgr (5/8/08)
Date Built: 2000
Contact Type: Telephone interview

Type: Market Rate
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	130	\$685-\$705	696-755	\$.93-\$.98	25
2BR/1b	265	\$836-\$865	1054	\$.79-\$.82	10
3BR/2b	45	\$1045	1354	\$.77	2
Total	440				37

Typical Occupancy Rate: low to mid 90's
Security Deposit: \$350
Utilities Included: None

Waiting List: Na
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: 3-story walk-up



7. Creekside Apartments, 100 Cavalier Crossing (770) 808-0860

Contact: Ms Shauna, Mgr (5/8/08)
Date Built: 2003
Contact Type: Telephone interview

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	98	\$790-\$950	704-1070	\$.89-\$1.12	7
2BR/2b	154	\$1000-\$1100	1022-1219	\$.90-\$.98	9
3BR/2b	28	\$1130-\$1145	1384	\$.82	1
Total	280				17

Typical Occupancy Rate: 91%-95%
Security Deposit: \$150
Utilities Included: None

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: walk-up



8. Crossing Atlanta, 6256 Hillandale Dr (770) 593-9573

Contact: Lauren (5/8/08)

Date Built: 1985

Contact Type: Telephone interview

Type: Market Rate

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	48	\$565	740	\$0.76	0
2BR/2b	120	\$665	1005	\$0.66	2
3BR/2b	32	\$775	1250	\$0.62	9
Total	200				11

Typical Occupancy Rate: 95%

Security Deposit: \$150

Utilities Included: None

Waiting List: No

Concessions: Yes

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	No	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: two-story walk-up

Remarks: offering a move-in special



9. Hampton Woods, 2325 Woodcrest

(770) 981-8268

Contact: Fritz (5/9/08)

Date Built: 1989

Contact Type: Telephone interview

Type: Market Rate

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	120	\$649	573	\$1.13	2
1BR/1b	48	\$644	652	\$0.99	0
2BR/2b	176	\$789	1003	\$0.79	1
Total	344				3

Typical Occupancy Rate: 98%

Security Deposit: \$140

Utilities Included: None

Waiting List: No

Concessions: No

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: three-story walk-up

Remarks: does not accept Section 8



10.Highland Greens, 421 Meadowood Dr

(770) 981-5450

Contact: Bobby (5/9/08)

Type: Market Rate

Date Built: 1970

Condition: Good

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
2BR/1.5b	126	\$620-\$650	1072-1340	\$.49-\$.58	2
2BR/1.5b TH	100	\$735-\$795	1248-1350	\$.59	2
2BR/2b	60	\$700	1072-1350	\$.52-\$.65	2
3BR/2b	84	\$740	1411	\$.52	2
3BR/2b TH	45	\$940	1585	\$.59	2
Total	415				10

Typical Occupancy Rate: 91%-94%

Waiting List: No

Security Deposit: \$350

Concessions: No

Utilities Included: None

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: three-story walk-up

Remarks: does not accept Section 8



11.Highland Estates, 10 Creste Dr

(770) 593-0492

Contact: Laura, Lsg Cons. (5/9/08)

Date Built: 1988 (rehab in 2007)

Contact Type: Telephone interview

Type: Market Rate

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b TH	40	\$560	990	\$.57	3
2BR/1.5b TH	70	\$680	1250	\$.54	3
3BR/2.5b TH	20	\$805	1740	\$.46	2
4BR/3.5b TH	10	\$1040	2377	\$.44	2
Total	140				10

Typical Occupancy Rate: 93%

Security Deposit: \$300

Utilities Included: Trash

Waiting List: No

Concessions: Yes

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	Yes	Picnic Area	No

Design: townhouse

Remarks: concession on security deposit; a rent concession for 2BR & 3BR



12. Lexington on the Green, 5850 Hillandale Dr (770) 808-1181

Contact: Ms Celita, (5/8/08)
Date Built: 2001
Contact Type: Telephone interview

Type: Market Rate
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	110	\$750	884	\$.85	4
2BR/2b	80	\$875	1161	\$.75	3
3BR/2b	25	\$1040	1354	\$.77	1
Total	215				8

Typical Occupancy Rate: 93%
Security Deposit: \$50
Utilities Included: Trash

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 3-story walk-up

Remarks: concession on security deposit; and rent concession



13.Oaks at Stonecrest, 2795 Evans Mill Rd (770) 482-1429

Contact: Ms Brittany, (5/9/08)
Date Built: 1970
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	19	\$570	726	\$.79	4
2BR/1b	72	\$600	960	\$.63	4
2BR/1.5b	85	\$650	1008	\$.64	4
2BR/1.5b TH	72	\$695	1008	\$.69	4
3BR/2.5b TH	32	\$775	1276	\$.61	0
Total	280				16

Typical Occupancy Rate: 85%-92%
Security Deposit: \$99
Utilities Included: Trash

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2-story walk-up & townhouse

Remarks: concession on security deposit; and move-in special



14.Rainbow Forest, 3100 Rainbow Forest Cir (770) 243-0646

Contact: Ms Howard, (5/8/08)
Date Built: 1970
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
2BR/1.5b	40	\$675	1161	\$.58	1
2BR/2b	60	\$675	1161	\$.58	1
3BR/2b	30	\$775	1322	\$.59	0
3BR/2.5b	36	\$775	1464	\$.53	0
Total	166				2

Typical Occupancy Rate: 98%
Security Deposit: \$200
Utilities Included: Trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Some
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 3-story walk-up

Remarks: does not accept Section 8



15. Retreat @ Stonecrest, 40 Amanda Dr

(770) 482-3887

Contact: Ms Lashanda, Mgr (5/8/08)
Date Built: 2003
Contact Type: Telephone interview

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	114	\$765	890	\$.86	5
2BR/2b	144	\$895	1120	\$.80	8
3BR/2b	18	\$1050	1350	\$.78	0
Total	276				13

Typical Occupancy Rate: 95%
Security Deposit: \$250
Utilities Included: Trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	No

Design: 3 & 4-story walk-up

Remarks: does not accept Section 8



16. Towering Pines, 6250 Hillandale Dr

(770) 981-8803

Contact: Ms Diane, Lsg Cons (5/8/08)

Type: Market Rate

Date Built: 1972

Condition: Good

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	60	\$495	727	\$.68	6
2BR/2b	92	\$595	964	\$.62	8
3BR/2b	48	\$730	1217	\$.60	6
4BR/2b	16	\$830	1515	\$.55	2
Total	216				22

Typical Occupancy Rate: 90%

Waiting List: No

Security Deposit: \$99

Concessions: Yes

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	Yes	Picnic Area	No

Design: 2 story walk-up

Remarks: about 15% of the unit are occupied by a Section 8 holder;
concession on security deposit



17.Walden Brook, 100 Walden Brook Dr

(770) 322-1442

Contact: Angelica, (5/8/08)
Date Built: 2002
Contact Type: Telephone interview

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	60	\$695-\$858	732	\$.95-\$1.17	2
2BR/1b TH	18	\$858-\$886	1013	\$.85-\$1.17	0
2BR/2b	128	\$895	1157-1252	\$.71-\$1.17	0
3BR/2b	50	\$1015-\$1054	1425-1532	\$.69-\$1.17	3
Total	256				5

Typical Occupancy Rate: 95%
Security Deposit: \$200
Utilities Included: trash

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: walk-up

Remarks: does not accept Section 8; offering rent concession



18.Wesley Kensington, 100 Kensington Cir (770) 484-8887

Contact: Ms Alisa, (5/8/08)
Date Built: 2005
Contact Type: Telephone interview

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	110	\$686	920	\$.75	10
2BR/2b	210	\$853	1280	\$.67	10
3BR/2b	51	\$1016	1525	\$.67	5
Total	371				25

Typical Occupancy Rate: low 90's
Security Deposit: \$250
Utilities Included: None

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: walk-up

Remarks: does not accept Section 8; offering rent concession



19.Wesley Providence, 100 Wesley Providence Pkwy (770) 482-6123

Contact: Ms Japonica, (5/8/08)
Date Built: 2004 & 2007 (2 phases)
Contact Type: Telephone interview

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	169	\$730-\$770	920	\$.77-\$.84	10
2BR/2b	340	\$875-\$890	1280	\$.68-\$.70	10
3BR/2b	70	\$1100	1525	\$.72	0
Total	579				20

Typical Occupancy Rate: mid 90's
Security Deposit: \$250
Utilities Included: None

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: walk-up

Remarks: does not accept Section 8; offering rent concession



20. Wesley Stonecrest, 100 Wesley Stonecrest Cir (770) 484-0474

Contact: Ms "Vee", (5/9/08)
Date Built: 2005
Contact Type: Telephone interview

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	65	\$721	700	\$1.03	2
2BR/2b	131	\$834	1000	\$0.83	1
3BR/2b	22	\$1195	1250	\$0.96	1
Total	218				4

Typical Occupancy Rate: 95%
Security Deposit: \$250
Utilities Included: None

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

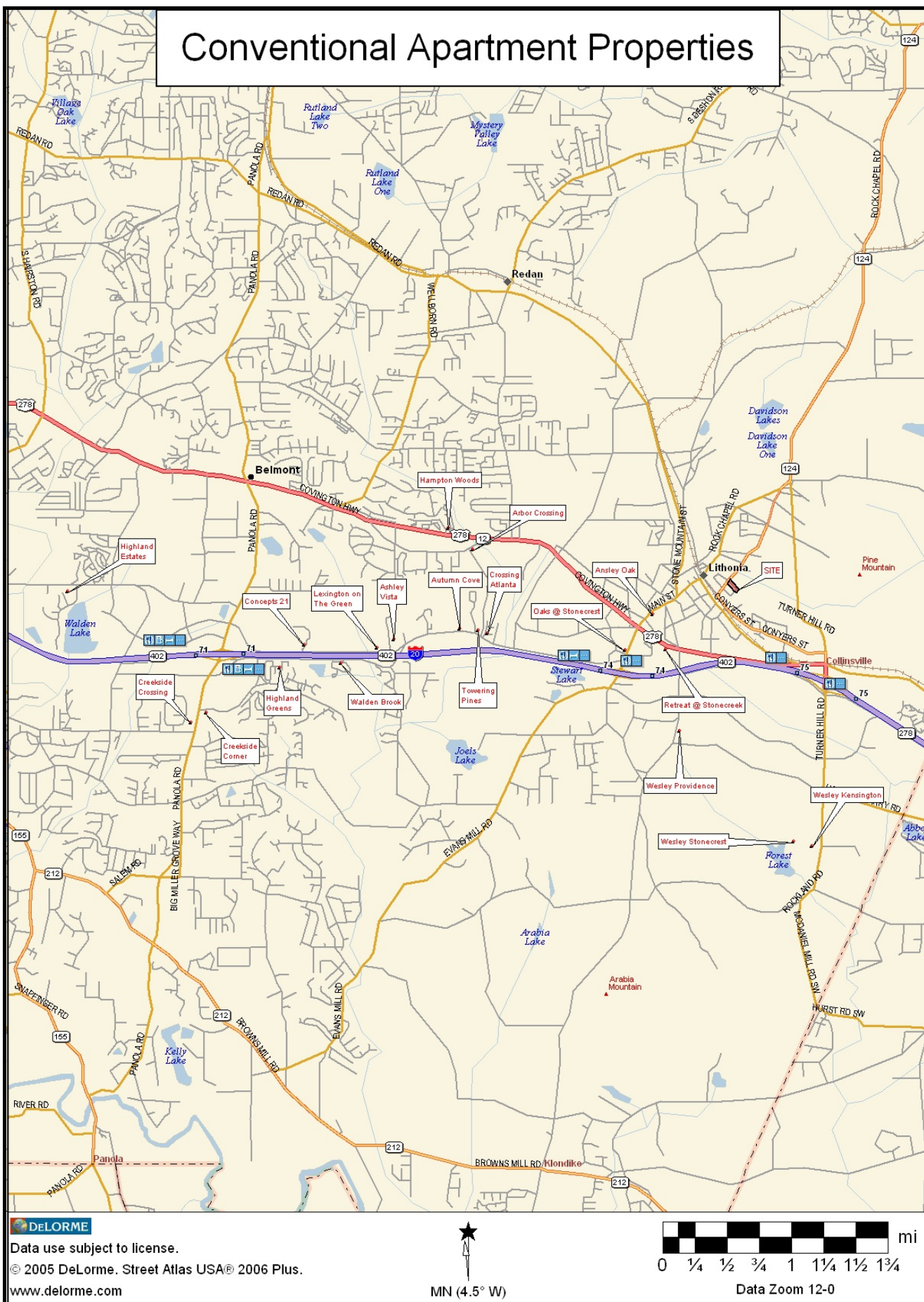
Mgmt Office	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: walk-up

Remarks: does not accept Section 8; offering rent concession



Conventional Apartment Properties



SECTION H

INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study research process.

In most instances the project parameters of the proposed development were presented to the "key contact", in particular: the proposed site location, project size, bedroom mix, income targeting and net rents. The following statements/comments were made:

(1) - Ms. Mary Callaway, the Executive Director of the Housing Authority of Lithonia was interviewed, (770) 482-6563. *Ms. Callaway stated that she was familiar with the application for the proposed subject development and that the Housing Authority was involved with the application. She is of the opinion that the subject development would do well as a LIHTC complex targeting families and thought that the proposed 2BR and 3BR units would rent well, given the proposed position of the LIHTC net rents and the lack of decent/livable affordable housing within the Lithonia city limits. She went on to state that the existing three 8-plexes were beyond the time of successful rehab. As a new infill development offering 50-units, of which some are market rate she was of the opinion that it would be readily accepted by the market.*

(2) - None of the surveyed LIHTC properties within the PMA thought that the proposed development would negatively impact their properties. The likely reasons for this overall assessment are: (a) the subject development is small, only 50-units, and (b) the site location is within the Lithonia city limits offering rents that should bode well for it to fill quickly and not put long term competitive pressure on the other LIHTC and tax Exempt Bond properties already located within the PMA.

(3) - Barry, a leasing consultant for the Alexander at Stonecrest LIHTC/Market Rate apartment development was interviewed, (770) 482-7759. *Barry stated that the market readily accepts LIHTC 3BR units, i.e. large units. "They fill up the quickest and stay occupied the longest". The fact that the proposed development will offer 3BR-units will greatly assist in its rate of absorption.*

(4) - Ms. Kathy Cox, Manager, of the Cambridge Heights (formerly known as the Hillandale Park Apartments) acquisition/rehab LIHTC apartments was interviewed, (770) 981-6323. *Ms Cox stated that her property was in its final stages of rehab and that the units/buildings that have been rehabed have filled 100%. Her property offers both 2BR and 3BR units and she stated that the rehabed 3BR units are in great demand and typically get rented first.*

(5) - Antonio, a leasing consultant for the Chapel Run (Bond) Apartments was interviewed, (770) 808-5777. *Chapel Run is a 172-unit development which like other area LIHTC properties has a number of Section 8 voucher holders as tenants and a small waiting list. It is a good representation of market acceptance by area low to moderate income households for LIHTC properties within the PMA, in particular by families in need.*

SECTION I
**CONCLUSIONS &
RECOMMENDATION**

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that the Villages at Park View (a proposed LIHTC / Market Rate property) targeting the general population should proceed forward with the development process.

Detailed Support of Recommendation

1. Product Mix - The target group is large enough to absorb the proposed product development of **50** units.
2. Assessment of rents - The proposed net rents will be competitive to very competitive in the PMA.
3. The current apartment market is **not** representative of an over saturated market, for well maintained, well amenitized and professionally managed properties.
4. The proposed complex unit amenity package is considered to be competitive to very competitive within the PMA.
5. Stabilized occupancy, subsequent to initial lease-up, is forecasted to be 93% or higher.
6. The site location is considered to be marketable.
7. The proposed development will not negatively impact the existing supply of program assisted LIHTC family properties within the Subject PMA. This is primarily owing to the relatively small size of the proposed subject development in relation to area competitive LIHTC properties.

SECTION J
ANALYST QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental

agencies.

JERRY M. KOONTZ

EDUCATION: M.A. Geography 1982 Florida Atlantic Un.
B.A. Economics 1980 Florida Atlantic Un.
A.A. Urban Studies 1978 Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC

1983-1985, Market Research Staff Consultant, Stephens Associates, an consulting firm in real estate development and planning. Raleigh, NC

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 25 years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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Member in Good Standing: Professional Real Estate Market Analysts Coalition (PREMAC)

SECTION K
IDENTITY OF INTEREST

I affirm that I have made a physical inspection of the market and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

CERTIFICATION

Koontz and Salinger
P.O. Box 37523
Raleigh, North Carolina 27627

_____,
Jerry M. Koontz
Real Estate Market Analyst
(919) 362-9085

Date

Market Analyst Certification and Checklist

I understand that by initializing (or checking) the following items, I am stating those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report.

The report was written to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed: _____ Date: _____

A. Executive Summary

Market demand for subject property given the economic conditions of the area	Page	viii
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Appropriateness of unit mix, rent and unit sizes	Page	viii
Appropriateness of interior & exterior amenities including appliances	Page	vii
Location & distance of subject property in relation to local amenities	Page	10
Discussion of capture rates in relationship to subject	Page	viii
Conclusion regarding the strength of the market for the subject	Page	ix

B. Project Description

Project address, legal description and location	Page	1
Number of units by unit type	Page	1
Unit size, # of bedrooms & structure type	Page	1
Rents & Utility Allowance	Page	2
Existing or proposed project based rental assistance	Page	Na
Proposed development amenities	Page	2
For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property	Page 3 & Appen	
Projected placed in service date	Page	2
Construction type	Page	1
Occupancy type	Page	1
Special Population Target (if applicable)	Page	Na

C. Site Evaluation

Date of Inspection of Subject Property by Market Analyst	Page	14
Physical features of Subject Property and Adjacent Uses	Page 3 & 4	
Subject Photographs	Page 5 - 8	
Map identifying location of subject as well as closets facilities	Page	11
Developments in vicinity to subject & proximity in miles	Page	12

Map identifying existing low-income housing within the PMA	Page	13
Road or infrastructure improvements planned or under construction	Page	3
Comment on access, ingress/egress and visibility of subject	Page	14
Any visible environmental or other concerns	Page	14
Overall conclusions of site and their marketability	Page	14

D. Market Area

Map identifying Subject's Location within PMA	Page	17
Map identifying Subject's Location within SMA, if applicable	Page	Na

E. Community Demographic Data

Data on Population & Households Five Years Prior to Market Entry and Projected Five Years Post-Market Entry	Page	18
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1. Population Trends

a. Total Population	Page	18&19
b. Population by Age Group	Page	20
c. Number of elderly & non elderly (for elderly projects)	Page	Na
d. Special needs, additional information	Page	Na

2. Household Trends

Elderly by tenure, if applicable

a. Total number of households & average household size	Page	21
b. Households by tenure (# of owner & renter households)	Page	23
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APPENDIX A

FORECAST DATA BASE